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The National Underwriter

LIFE INSURANCE EDITION

FRIDAY, AUGUST 26, 1932

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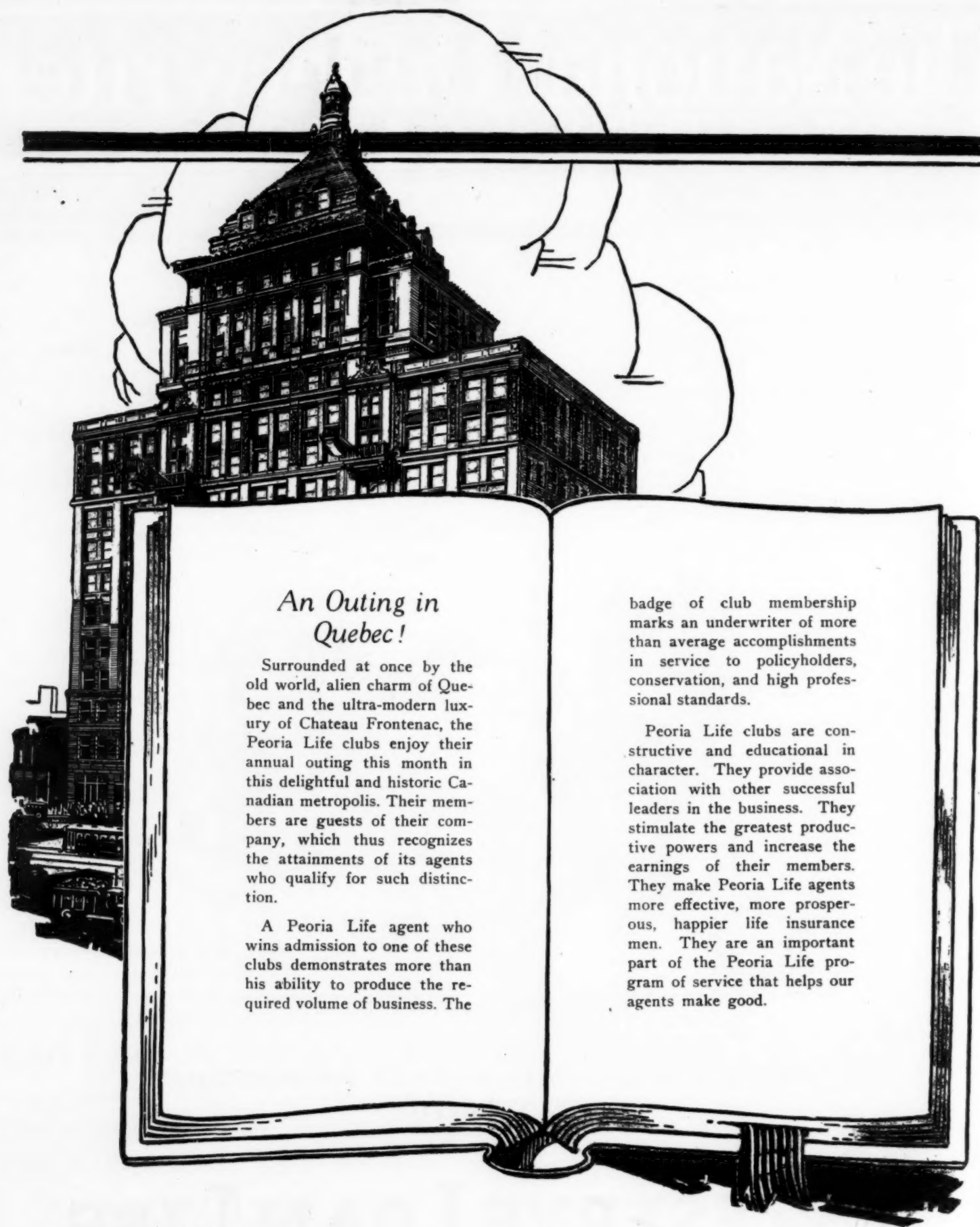
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HAVE YOU LOOKED OVER OUR POLICIES?

WRITE FOR GENERAL AGENCY PROPOSITION
AND TERRITORY

RESERVE LOAN LIFE
INSURANCE COMPANY
INDIANAPOLIS, INDIANA.

24 HOURS
PAYS LOSSES WITHIN
24 HOURS
OF RECEIPT OF PROOF



An Outing in Quebec!

Surrounded at once by the old world, alien charm of Quebec and the ultra-modern luxury of Chateau Frontenac, the Peoria Life clubs enjoy their annual outing this month in this delightful and historic Canadian metropolis. Their members are guests of their company, which thus recognizes the attainments of its agents who qualify for such distinction.

A Peoria Life agent who wins admission to one of these clubs demonstrates more than his ability to produce the required volume of business. The

badge of club membership marks an underwriter of more than average accomplishments in service to policyholders, conservation, and high professional standards.

Peoria Life clubs are constructive and educational in character. They provide association with other successful leaders in the business. They stimulate the greatest productive powers and increase the earnings of their members. They make Peoria Life agents more effective, more prosperous, happier life insurance men. They are an important part of the Peoria Life program of service that helps our agents make good.

Peoria Life Insurance Company

PEORIA, ILLINOIS

The National Underwriter

LIFE INSURANCE EDITION

Thirty-Sixth Year No. 35

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, AUGUST 26, 1932

\$3.00 Per Year, 15 Cents a Copy

Coast Convention "Friendly" Affair

High Approbation Given Program
at San Francisco Meeting of
Life Underwriters

SKIRMISH ON OFFICERS

Fight Likely to Be Renewed Next Year
—Interest in California University
President's Address

By LEVERING CARTWRIGHT

Although the annual meeting of the National Association of Life Underwriters in San Francisco was enlivened by a healthy political skirmish, presentation of the formal program suffered in no way and there was general approbation of it.

A remarkable fact was that there was only one departure from the printed program. Governor James Rolph, Jr., of California, who was scheduled to appear at the final session, was not able to attend. He was represented by C. W. Huntington, director of business and professional standards of the California state government.

The San Francisco meeting will probably go down as the friendly convention. There is usually a tendency at National association conventions for the members to separate into groups, either by company or by city, but at San Francisco there was much visiting from room to room, gathering in the lobby, etc., in a free and easy manner. That was undoubtedly because of the great cordiality of the hosts and because of the conscious preparations to make the convention a big success from the social as well as the educational point of view.

Fight to Be Renewed

Although a means was found of clearing the political atmosphere at this time, there is certain to be a fight to the finish at the Chicago convention next year. It is no injustice to either C. Vivian Anderson of Cincinnati or T. M. Riehle of New York to say that they have vigorous opposition, politically, because they have just as strong support in other directions. It is about those two men that the conflict exists.

Mr. Anderson was elected ranking vice-president and Mr. Riehle first vice-president, despite the fact that the advisory committee left both of them off the slate. It was apparently the desire of the nominating committee to dispel the notion that succession in office step by step from fourth vice-president to president is a precedent. In the advisory committee's recommendations, the slate was wiped clean, for the most part, except for the highest office. C. C. Thompson of Seattle being elevated from ranking vice-president to president.

It was apparent that many members of the nominating committee resented the advisory committee's report because

Many Factors Determine Action on Interest Rate

NEW YORK, Aug. 25.—Announcements of dividend reductions this fall are likely to be accompanied in many cases by reductions in the rate of interest on funds left on deposit. However, while some factors influencing dividend reductions also apply to interest on deposited funds, there are other elements controlling the fixing of the interest rate which do not necessarily apply to dividends.

Lowered investment return is the main reason for cutting interest rates. Mortality experience, which enters into dividends, does not apply, except of course on annuity options, and there the company would tend to profit from any increased mortality.

Increased Need for Liquidity

The need for an unusual degree of liquidity in order to keep pace with demands for policy loans and surrender values has kept the companies out of the long-term, high-yield investment field in which they are usually such a large factor. This increased need for liquidity is heightened also by the greater chance that more people will be forced to withdraw funds left on deposit.

Action on interest rates, however, may depend a good deal on what proportion of a company's funds consists of money left on deposit. If only a small percentage of its investments include deposited funds it may find it better to keep up its interest rate in order to hold down withdrawals and induce many to leave their dividends and proceeds on deposit when they might otherwise take them elsewhere.

Worth Some Concessions

Obviously this influx of ready cash is worth making some concessions to get,

particularly if the company is putting so much of its funds into policy loans that there is likelihood of having to sell securities. If the sale of such securities would entail a loss, it might well be wiser to keep the interest rate at an attractive figure which would stimulate an increase, rather than a decrease, in funds left on deposit.

On the other hand, a company which has a large percentage of its investments in funds left at interest has to figure a good deal closer on the rate that it can allow. While the rate need not vary with each annual fluctuation in the net rate of interest earned, yet it must reflect the long term trend more accurately than that of the company with a relatively small proportion of this type of funds.

Two Classes of Funds

In reducing the rate on money left at interest the distinction is sometimes made between funds which the beneficiary has the right of withdrawal and those on which there is not that privilege. Last year, at least one company which lowered its interest rate for the former class did not do so for the latter group. There is a twofold reason behind this attitude: First, that the recipients in the group not having the withdrawal option are unable to take their funds elsewhere if they do not like the lowered interest rates; and second, the fact that this group cannot withdraw their funds makes it unnecessary to hold highly liquid securities to meet a possible flood of demands from this quarter.

A number of companies last year cut their interest rates a fraction of one percent of funds left on deposit. Five percent is the highest rate paid on such funds by any company doing business in New York state.

members evidently felt that it was expressing the view point of the influential men in the organization.

Although the advisory committee was overridden at this point, the purpose of that committee was, to a certain extent, given recognition by the adoption of a resolution expressing the idea that the principle of succession is not iron-clad. That is the groundwork for a fight next year when Mr. Anderson, according to what has come to be regarded as the normal course of things, would be in line for the presidency. Mr. Anderson will be championed to the limit by his boosters. For instance Ray Hodges of Cincinnati is quoted as saying that he attended the San Francisco convention to see that Mr. Anderson "got fair treatment."

At the meeting of the executive committee on the final day two trustees were elected, they being George E. Lackey of Oklahoma City, retiring chairman of the executive committee, and Julian S. Myrick of New York, reelected.

One of the high lights of the concluding day's program was the address of David Prescott Barrows of the University of California.

"Life insurance," he said, "is a tre-

(CONTINUED ON PAGE 9)

Tentative Program For Legal Section

Chairman May Announces Plans
for A. L. C. Attorneys'
Gathering at Toronto

REVIEW GROUP CONTRACT

Elliott to Report—Revelle to Discuss
Revival of Suicide and Incontestable Clauses

Timely subjects of general interest to all life insurance counsel will be discussed by prominent members of the bar at the annual meeting of the Legal Section of the American Life Convention in the Royal York hotel, Toronto, Oct. 3-4. The tentative program is announced by Judge Allen May, vice-president and general attorney Missouri State Life, chairman of the Legal Section.

Following an address of welcome by a prominent member of the Canadian bar and response by Judge May, the formal program will get under way the morning of Oct. 3 with a "Review of Recent Decisions" by B. K. Elliott, manager and general counsel A. L. C.

Discuss Rescission Cases

"Some developments in rescission cases in federal and state courts" will be the subject of a paper by A. M. Lumpkin of Thomas & Lumpkin, Columbia, S. C., associate counsel United Mutual Life, Indianapolis, with discussion by George Kahin, of Kahin & Carmody, general counsel New World Life, Seattle. There will be a round table conference on principal points raised in Mr. Lumpkin's address and Mr. Kahin's discussion.

The afternoon session will open with an address by Berkeley Cox, associate counsel Aetna Life, Hartford, on "Legal relationships, rights and obligations under group insurance contracts," with discussion by Arnold Hobbs, general counsel Northwestern National, Minneapolis.

Kastner to Give Review

"Punitive damages: what breach of life insurance contract justifies," is the topic assigned to P. M. Estes, general counsel Life & Casualty, Nashville, Tenn. The discussion will be by Allan Bromsmith, attorney Travelers. R. H. Kastner, attorney A. L. C., will give his "Review of Legislation and Departmental Action," covering the principal bills and departmental rulings that have come up since the last meeting of the Legal Section.

The first speaker Oct. 4 will be C. G. Revelle, general counsel Continental Life, St. Louis, on "Revival of suicide and incontestable clauses in reissued or converted policies." Mr. Revelle is a former member of the Missouri supreme bench and at one time was Missouri insurance commissioner.

"Defeating an Incontestable Contract"

(CONTINUED ON PAGE 9)

Capt. Dunn Recommends in Survey Aviation Risk Agency

RESULTS OF STUDY IN BOOK

Much Valuable Data Collated in Volume Presenting Latest Experience on Air Hazard

A centrally located agency should be established as the first step in solving the problems of aviation life insurance, Capt. Ray A. Dunn of the United States army air corps, noted for his contributions to experience on aviation risks, declares in his new book, "Aviation and Life Insurance," just off the press of the Dillon Publishing Company of New York.

This agency should compile necessary statistical matter from which extra rating should be computed; should make inspections, handle all legal matters connected with settling aviation claims and act as a general advisory counsel to insurance companies on all matters pertaining to flying.

Should Maintain Records

It should work in conjunction with government departments, which would welcome its establishment, he says, for it would relieve them of a large percentage of their present work in this connection. The agency should keep up-to-date records of all pilots, new air craft and laws relating to aviation and life insurance. Statistics periodically should be sent carriers with definite recommendations for rating schedules.

This he considers the first step in solving the troublesome problem of how to cover the aviation hazard. Second, he believes, is accurate analysis of the ability, physical fitness and experience of pilots, and fixation of a rational extra premium that would cover the hazard as it appears from these qualifications. He believes the simplest and most efficacious method of doing this would be to classify pilots according to the grade of Department of Commerce license they hold and rate them accordingly.

Method Is Recommended

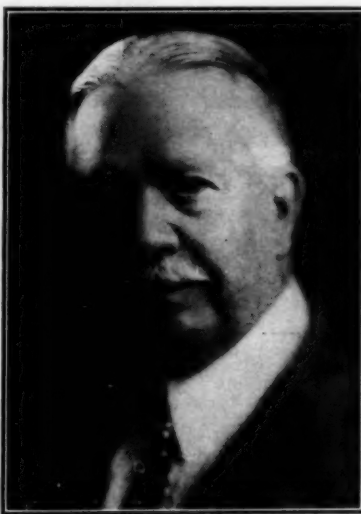
The nature of flying done need not be considered unless it is particularly hazardous, except if pilots are to be rated not as a class but as individuals, when he says nature of flying and equipment used should be considered. Military or naval pilots are subject to classifications within their own sphere, and could be rated accordingly.

Captain Dunn says all studies so far have stressed the pilot risk and very few have considered what he believes constitutes the greatest problem facing insurance, the passenger risk. Passengers, he says, fall in two classes, those who ride on scheduled airways and those who fly otherwise. Control exercised over scheduled airways by the Department of Commerce affords for the first class an easy solution, the only point which needs stressing being that flying must be done over scheduled air lines holding the Department of Commerce certificates of authority. For the other classification an extra premium should be required based on the nature of the flying to be done and the grade of the pilot.

A third and final step Captain Dunn believes is education, beginning with salesmen and brokers, a surprising number of whom, he says, through ignorance of the aviation hazard actually have aided the applicant in securing cheap coverage at the expense of companies they represent. An educational campaign might be carried on similar to present health campaigns conducted by several large companies, organized to inform all policyholders how to prevent death by aviation, teaching them when to fly, in what types of planes to trust themselves and also regarding pilots.

"The most prominent fact brought out by the chart is first," Captain Dunn

Buckner to Preside at Presidents' Annual Meet



THOMAS A. BUCKNER

NEW YORK, Aug. 25.—President Thomas A. Buckner of the New York Life will preside at the annual convention of the Association of Life Insurance Presidents Dec. 8-9 in New York City.

Mr. Buckner, who is one of the most distinguished leaders in the life insurance field, was a member of the association's original executive committee, playing an important part in launching the organization 26 years ago.

Mr. Buckner has devoted over 52 years to life insurance. During this period he has seen its growth to nearly 70 times its volume when he first entered the business and has watched its development into an institution that touches the lives of a vast majority of the American people.

His own contributions to the development of life insurance have been outstanding. The story of his rise from office boy to the presidency of the New York Life is a record of hard work and energy which is further embellished by the fact that it was achieved entirely under the banner of one company. Devotion to the institution of life insurance is an inherent characteristic of Mr. Buckner. He early became associated with the New York Life as a natural sequence, his father being the company's general manager for Wisconsin, Iowa and Dakota, with headquarters at Milwaukee. It was in that office, at the age of 15, that he placed his foot on the first rung of the ladder of his successful career.

His climb was unflinching, being successively an office boy, clerk, field agent, cashier, agency director, inspector of agencies, home office superintendent, and fourth vice-president. Then in 1903, he became vice-president in charge of agency activities and in 1931 he was elected president. He has been a director since 1901.

concludes, "that the extra premiums pilots are charged at present are out of proportion to the extra hazard involved, and secondly, the fact that passengers who fly over scheduled airways are charged too high an extra premium, while other passengers are being carried at too low a figure or at none at all."

Notes General Misinformation

He said he has questioned hundreds of non-flyers, representing nearly every section of the country, about their reasons for not traveling by air, and almost invariably they reply either "It is not safe" or "My insurance policies would not be valid if I should meet with an accident." He finds both answers exhibit a surprising state of ignorance.

He believes the mere fact that an in-

Regional Superintendents Appointed by Penn Mutual

FOUR MEN ARE NOW SELECTED

J. E. Gibbs, J. B. Webster, C. E. Spencer and C. E. Eddleblute Take Charge of Sections

Vice-president Stevenson of the Penn Mutual announces the appointing of four regional superintendents of agencies—eastern, southern, central, western—for the purpose of bringing the home office into closer and more helpful contact with the field. John E. Gibbs will work in the eastern region, J. B. Webster in the southern, C. E. Spencer in the central and C. E. Eddleblute in the western.

Mr. Gibbs joined the Penn Mutual three years ago, backed by several years of agent training in New York City with the Massachusetts Mutual. The last year his position has been assistant superintendent of agencies.

Mr. Webster's Career

Mr. Webster joined the Penn Mutual 18 months ago, on his entrance into life insurance. He had had several years of trust company and banking experience, and was trained in the law. He is a graduate of a Penn Mutual agency building school and has recently passed the C. L. U. examinations. He assisted in building one of the units of the John A. Stevenson Agency in Philadelphia.

Mr. Spencer gained his experience in the R. G. Engelman Agency of the Penn Mutual in New York, where for the last 18 months he served as supervisor. His entry to life insurance was by way of the home office of the Metropolitan in 1924. He joined Mr. Engelman in 1929. There he had a record of an application a week for two years, and also while there graduated from the New York Life insurance training course in July, 1930.

Mr. Eddleblute is a Pennsylvanian, who at an early age moved to Colorado to engage in school work. His last educational post was superintendent of Clayton College, a Colorado agricultural institution. From there, three years ago, he went to the Denver agency. Eighteen months ago he was appointed agency supervisor.

These four superintendents will perform the duties usual to such positions, and will also carry on educational work. Agent-training will be provided through E. P. Huttinger, manager of training, agent-supervision and agent-education being coordinated and directed by the superintendent of agencies.

insurance company will accept the aviation risk without extra charge in the case of passengers on the better air lines should be one of the biggest selling points they have.

ACTUARIAL COMMITTEE REPORTS

NEW YORK, Aug. 25.—That there is an extra-favorable class of risks among commercial and private pilots whose lives can safely be insured at very low ratings is conclusively refuted in the fourth annual report of the committee on aviation statistics of the Actuarial Society, now on the press and soon to be issued.

The contention often has been advanced that there is a class of pilots for which an extremely low rating would be sufficient. Investigating this possibility, the committee reviewed experience on various classifications after removing from consideration such groups as stunt and test pilots, and other abnormally hazardous classes, also individual pilots with unfavorable records.

It was found even after eliminating those who might weigh experience un-

(CONTINUED ON PAGE 7)

Huge Volume of Ordinary Is Sold Despite Decrease

Sales of ordinary life, although below last year and below the volume of the preceding boom years, nevertheless represent a substantial volume of new insurance, according to the Life Insurance Sales Research Bureau. In every working day during the seven months of 1932 the country has purchased an average of over \$25,000,000 of new insurance. This is being sold to old policyholders who during the past months have appreciated the security their insurance afforded them and to new policyholders who are turning to life insurance for protection and as a safe investment for their money.

The following table affords a comparison for July, 1932, with July, 1931, and for the seven months of this year with the same period a year ago. These figures show that the country as a whole experienced a decrease of 23 percent in July. The two sections of the country with the best experience were the middle Atlantic and the east north central.

	July, 1932	7 Mos. 1932	July, 1931	7 Mos. 1931
	Comp. to	Comp. to	Comp. to	Comp. to
	Percent	Percent	Percent	Percent
United States total...	77	81	77	81
Sections				
New England.....	76	81	76	81
Middle Atlantic.....	80	82	80	82
East North Central..	80	81	80	81
West North Central..	71	77	71	77
South Atlantic.....	69	79	69	79
East South Central..	69	80	69	80
West South Central..	74	83	74	83
Mountain.....	72	79	72	79
Pacific.....	76	86	76	86
Cities				
Boston.....	74	84	74	84
Chicago.....	81	78	81	78
Cleveland.....	95	78	95	78
Detroit.....	97	84	97	84
New York.....	81	79	81	79
Philadelphia.....	73	81	73	81

Equitable of New York Has 84 Men with C. L. U. Degree

The Equitable Life of New York has now 84 men with the C. L. U. degree. At the last examination 31 of its men got the degree, a larger number of agents to pass than any other company. The Equitable says regarding the movement:

"The Equitable was one of the prime movers in establishing the American College of Life Underwriting and is one of its most enthusiastic supporters. It regards with a justifiable feeling of pride the rapidly expanding public recognition of a C. L. U. designation. It is the stamp of the highest professional attainment in life underwriting study. In due time the buyer of life insurance will demand evidence of a life underwriter's professional qualifications. Proof that a member of the field force has completed the Equitable's educational requirements will immediately establish his capability, and the C. L. U. degree will add considerably to his professional prestige."

Would Limit Officials' Salaries

LINCOLN, NEB., Aug. 25.—A movement is under way in Nebraska to ask the legislature to limit the pay of insurance executives to \$5,000 a year, it was revealed by Commissioner Herdman.

No old line executive in this state receives more than \$20,000—there are several receiving this pay—while one fraternal president draws \$36,000 and two are getting \$25,000.

Get California Licenses

The Latin-American Guarantee Life of Los Angeles, assessment organization writing life, accident and health, has been licensed in California. The American Medical Life of Spokane, operated by a group closely affiliated with the medical profession, also has been licensed in the state, with the American Medical Life Associates as general agent.

Cook Lists Blood Pressure Problems

Northwestern National Official
Chief Speaker at Joint Con-
vention on Coast

LEBBY MADE PRESIDENT

Discussion of Medical and Hospital
Cost Also Featured at San Fran-
cisco Sessions

SAN FRANCISCO, Aug. 25.—Inter-
est at the joint meeting here of the
San Francisco and Los Angeles accident
and health clubs was divided between
an absorbing presentation of blood pres-
sure and correlated problems in under-
writing by Dr. Henry W. Cook of the
Northwestern National Life and a dis-
cussion of medical and hospital costs,
together with medical and hospital bene-
fit associations, of which there are 200
in California, most of which are declared
to be irresponsible and some of which
are charged with being rackets.

W. E. Lebbay, of the Behrendt-Levy-
Rosen Co., president of the Los Angeles
club, was elected president of the joint
gathering, which, it was decided, should
hereafter be known as the California
Accident & Health Association. He suc-
ceeds L. C. Stearns of the Pacific Mut-
ual. The new secretary of the associa-
tion is E. W. McGary of the Commer-
cial and Metropolitan Casualty. He is
also secretary of the Los Angeles club.
I. C. Cunningham, southern California
manager Occidental Life, was elected
regional vice-president of the National
Association of Accident & Health Man-
agers.

Dr. Cook Makes Hit

Dr. Cook was available because he
was here to address the convention of
the National Association of Life Under-
writers, which concluded its session the
day before the accident and health gath-
ering. He made a big hit because he
translated into understandable language
and presented in concise fashion what
it is important his audience should know.
He was introduced by T. W. Budlong of
the Commercial and Metropolitan Cas-
ualty, whose brother, R. C. Budlong, is
publicity manager for the Northwestern
National.

Dr. Cook said it is important to dis-
tinguish between normal and average
blood pressure. Although the average
blood pressure at age 60 is now 133,
as compared with 120 at age 20, 133 is
not the normal but the average for age
60 because sick people have been en-
tering into the calculation. In 10 years
Dr. Cook predicted the proper perspec-
tive will be gained and 120 will be re-
garded as proper blood pressure for
age 60.

Age 40-45 Critical Period

Dr. Cook mentioned that age 40 to 45
is a critical period for men. If they
come through that stage without in-
creased blood pressure, their chances for
a long life are good. He dwelt on the
fact that there has been an alarming
increase in the mortality of the insured
population, largely because of the in-
crease in the degenerative diseases of
middle and later life. He displayed a
chart showing that of 100 life insurance
claims involving a total loss of \$70,000-
000, incurred within five years of the in-
ception of the insurance, 22 percent
were matured by suicide, 28 percent
by cardio-vascular diseases, 11 percent by
pneumonia and 10 percent by cancer.
These four factors accounted for 71 per-
cent of the claims, and the results illus-

Decrease in Farm Loans by the Life Companies

Farm mortgage loans of life com-
panies, the largest single source of long
term credit for farmers, have been de-
creasing since 1928 until they now
approximate the loans outstanding in
the spring of 1925, according to a re-
port issued by the bureau of agricultural
economics, United States Department
of Agriculture, based on reports from
the companies. Heavy demands for
policy loans and irregular receipt of in-
come have reduced the funds the com-
panies have had available for investment
but in recent years the proportions in-
vested in farm mortgages have con-
tinued to average about 10 percent.

Factors Causing the Decrease

Smaller sums granted on new and re-
newed loans because of declining land
values, reduction by payments on prin-
cipal necessary to bring indebtedness
within manageable limits and extinguisht-
ment through foreclosure and voluntary
assignment of title are among the fac-
tors assigned for the curtailment of
indebtedness which had been increasing
up to 1928.

The amount of life company farm

mortgage loans outstanding Jan. 1, 1932,
is estimated at \$2,015,284,000, which was
93 percent of the total outstanding Jan.
1, 1928, when they were the highest in
the 25 years covered in the estimates.
Nine states (Washington, Nevada,
Texas, Illinois, Wisconsin, Michigan,
West Virginia, North Carolina and
Maryland) had more farm real estate
credit from this source than during
earlier years. New loans, including
some renewed loans, declined from
\$279,000,000 in 1927 to \$194,000,000 in
1930. The proportion of new loans to
total outstanding declined from 13.2
percent in 1927 to 9.6 percent in 1930.
The volume of new credit has, however,
been well sustained in the Pacific
region.

Three-quarters of the farm loan funds
of the life companies outstanding Jan.
1, 1931, was placed in the north central
states, 58 percent in the west north
central division and 24 percent in Iowa.
The farm loans of the life companies
amount to about 23 percent of the total
farm mortgage credit in the United
States.

Congressman Carroll Reece Was a Victor in Tennessee

Insurance Commissioner Reece of
Tennessee takes umbrage at THE NA-
TIONAL UNDERWRITER for stating that his
brother, Carroll Reece, was defeated in
the primary race for Congress in his
district. Carroll Reece is the sitting
congressman. Early reports indicated
his defeat, but Commissioner Reece
states that the official count showed
him elected.

THE NATIONAL UNDERWRITER regrets
having conveyed wrong information,
but in doing so it had no intention
whatever of reflecting on the Tennessee
commissioner. THE NATIONAL UNDER-
WRITER in chronicling Commissioner
Reece's activities, especially in connec-
tion with his drastic action as regards
some life insurance companies, has not
impugned his motives or questioned his
honesty of purpose. The political pot
down in Tennessee has been boiling
fiercely and naturally as part of the
state administration, the insurance de-
partment came in for more or less at-
tack in the primaries by opposing candi-
dates. Commissioner Reece comes
from a sterling family whose members
are giving a good account of them-
selves.

trate why the insured mortality is up
while the general mortality is down.

Dr. Cook said that to give a dog-
matic opinion that an abscessed tooth,
tonsils, etc., cause high blood pressure,
or to prescribe a diet of "corn husks"
as a cure, is at worst quackery or, to
take the most charitable view, poor
medicine.

Heredity Paramount Factor

Without being dogmatic, Dr. Cook
expressed the opinion that heredity is
the paramount factor in high blood pres-
sure. Next is modern environment, he
declared—overheated houses, use of
drugs, including coffee, coca-cola, which
contains caffeine; nicotine, which is a
cardiac poison; alcohol, which is a kid-
ney poison that may lead to high blood
pressure; overeating and lack of exer-
cise. Then, he said, the relation between
the public and the doctors is bad, peo-
ple only consulting their doctors in sick-
ness. The educational system may be
wrong, he asserted, emphasizing ambi-
tion, forging ahead, etc., instead of the
quiet, retrospective life.

In concluding Dr. Cook displayed a

Commissioner Kidd Rules on Security Valuations

Indiana Commissioner Kidd has made
the following rules for the valuation
of securities to be followed by exam-
iners of his department:

Bonds and other evidences of debt
having a fixed term and rate, held by
companies which do, and are permitted
by law to, amortize such securities, are
to be amortized if such securities are
amply secured and not in default as to
principal for more than 10 days nor as
to interest for more than two years.

For all other securities, including
bonds and other evidences of debt hav-
ing a fixed term and rate, that are in
default as to principal for more than
10 days, or as to interest for more than
two years, use Insurance Commission-
ers' Convention values adopted for Dec.
31, 1931 annual statements even though
examination is made as of a date sub-
sequent to Dec. 31, 1931. These val-
ues are to be employed until new Con-
vention values are formally established.

Past due interest and accrued inter-
est on securities in default as to prin-
cipal or interest, but subject to amori-
zation, are to be valued at a liquidat-
ing value if such liquidating value can
be determined to the satisfaction of the
examiner in charge; otherwise such in-
terest is to be considered as a non-
admissible asset.

If securities are not listed in the se-
curities valuation book of the Insurance
Commissioners' Convention, make dili-
gent inquiry through independent
sources (not bonding houses or finan-
cial institutions having intimate busi-
ness relations with the company under
examination) and from information thus
obtained examiners are to rely upon
judgment of the examiner in charge
as to the actual market value.

normal human heart, a heart which had
been forced to overcome high blood
pressure for several years, which was
greatly enlarged; a brain in which a
hemorrhage had occurred and a diseased
aorta.

Dr. Cook said it is unfortunate that
the men with high blood pressure are,
on the whole, the men with a capacity
to buy insurance and the men who need
it. They are the executives who are
living under strain. The man with low
blood pressure is more likely to live
longer but to accomplish less.

(CONTINUED ON PAGE 8)

Receiver Denied For Old Colony

Action of Minority Stockholders'
Group Rejected by
Court

BRING UP OLD CHARGES

Amended Suit of Policyholders to Be
Heard Aug. 26—Report Other Peti-
tions Being Prepared

A second petition within a few weeks
for appointment of a receiver for the
Old Colony Life of Chicago was denied
by Judge Lindsay in the superior
court there last week. The first bill was
in behalf of policyholders and the sec-
ond was signed by two stockholders
and a man who represented that he had
a contract with President B. R. Nueske
to buy control.

The tribulations of the Old Colony,
however, are not over, for the judge
granted leave to amend the petition. It
is also known that several other Chicago
attorneys represent policyholders who
are said to have had difficulty in getting
cash and loan values on their policies
even after expiration of the 60-day wait-
ing period, the same as is claimed by
policyholders in another action filed
some time ago and to be heard Aug. 26.

Many Claims Charged

The stockholders' suit which was
thrown out—the complainants in which
were Maude M. Robinson, five shares;
D. B. Woodworth, three shares, and J.
H. Benjamin, who has appeared in other
actions against the Old Colony over a
period of three or four years, claimed
that there are 350 claims and suits now
pending against the Old Colony on cash
and loan values and death benefits.

Judge Lindsay's denial of the motion
for receiver was based on the presenta-
tion by attorneys for the Old Colony
that the petition contained almost iden-
tical allegations as those in a bill filed
in 1929 by the same complainants which
Judge Lindsay found had been adjudi-
cated in still another case.

Policyholders' Case Friday

The case to be heard Friday, filed by
George D. Kimball, attorney, hinges on
the petition of policyholders headed by
Theresa Stengel recently amended to in-
clude persons holding policies having a
face value of \$6,000 and to make officers
and directors of the Old Colony parties
defendant. This with a view to requir-
ing an accounting and to open the way
for recovery if a receivership should be
granted.

Old Allegations Renewed

The stockholders' petition recited as
in the previous bill of 1929 that the com-
pany was impaired; it charged misman-
agement, the withholding of cash and
loan values and also recited a long tale
of Florida land operations and alleged
"dummy" companies, and loans which
the petition claims represented fraud
and collusion by officers and directors.
The old incident of the Florida land
bought by the Demeter Land Company
for \$22,000 and transferred to the Polka-
nia Corporation, on which a loan was
made by the Old Colony and then fore-
closed but carried on the company's
books at \$125,000, also was recited.

William McKinley, attorney for the
Old Colony, claimed there were not 350
suits outstanding against the company,
as originally stated by mistake in the
petition, but only ten, and challenged
Mr. Benjamin to produce a contract with
President Nueske.

A Story to Warm The Cockles of Your Heart

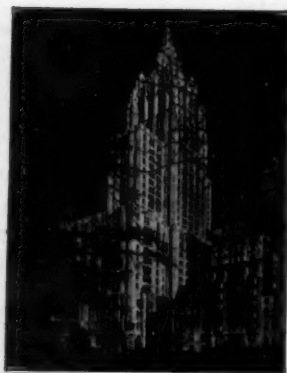
A VICE-PRESIDENT recently read to a conference of New York Life Officers a letter from the widow of a policyholder whose policy had lapsed. She wrote: "I know he had to let it lapse . . . he could hardly get enough money to buy bread for us . . . I am a widow with four children . . . I have not a dollar and no job." . . .

There was a moment of gloomy silence. Then the Vice-President said, "Extended Insurance was in force. We shall pay \$5,035.58." There were exclamations and smiles of relief. The Chairman clapped his hands!

After receiving her check, the widow wrote: "I could hardly believe my eyes . . . a check for \$5,035.58 . . . No one but a peniless widow can tell you what this check means to me . . . I hope to be able to educate each one of these children . . . Best of all, it has enabled me to keep my children together . . . at home."

(The insured was notified that extended insurance would run to Dec. 8, 1933, but apparently had not told his wife.)

How fortunate for this family that the agent recommended a life policy and not term insurance.



HOME OFFICE BUILDING

NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE
NEW YORK, N. Y.

Reasons for Gratitude

By J. J. DOYLE

Manager of Publications Western & Southern Life

When I look around my neighborhood and see what's happened to the "good jobs" my neighbors had three years ago—I'm glad I'm in the life insurance business.

When I see others restricted to two days' work a week—I'm glad I'm in the life insurance business.

When I reflect on the number of efficient workers in other lines who have been squeezed out by mergers and inventions—I'm glad I'm in the life insurance business.

When I observe men who have served their firms faithfully for many years, laid off to make way for younger men—I'm glad I'm in the life insurance business.

When I ponder on the fact that a man's earning power in most jobs is dependent on seasonal conditions or the law of supply and demand—I'm glad I'm in the life insurance business.

When I realize that I can earn as much now as ever, and that the purchasing power of my earnings has in-

creased over twenty percent—I'm glad I'm in the life insurance business.

When I consider that for increased efficiency, I not only receive increased compensation, but increased rate of compensation—I'm glad I'm in the life insurance business.

When I perceive that the thing in greatest demand today is safety for savings, and that there is no safer financial institution in the country than the business I represent—I'm glad I'm in the life insurance business.

When I meditate upon the fact that the business is growing, assuring promotion for industrious effort—I'm glad I'm in the life insurance business.

When I recognize that no prejudice of any kind exists and that my future depends solely on my own merits, that I always have work to do and that the more work I do, the more I make—believe me, I'm glad I'm in the life insurance business.

Plan Followed by De Barry in Work of Conservation

DeBarry & Associates, Inc., of Chicago, who do conservation work for life companies, explain the system followed, through President C. D. DeBarry. He says:

"The conservation work that is being performed by this company is primarily the replacement of existing impaired policies by removing the impairment and rewriting the policy in the same company. The deal between the company and the policyholder involves setting up the reserve, plus any unearned interest and premiums, and accumulations, and establishing these factors as a total credit. All indebtedness against the policy, plus accrued interest, is then set up and deducted from the total reserve. The residue is then employed to set up the reserve on a reissued policy, back dating the new issue as far as the credits will permit and collecting an advance premium. The facts in the case are that it was a certainty that the existing policy would be lapsed, and to prevent the loss of the policyholder to the company the rearrangement was offered and accepted by the insured. The company through this service prevented the possibility of a competitive agent twisting the insured into another company, which is often the case where loans exist and the company fails to service the policy.

"One of the cardinal points of the work done by our company is to maintain for the life insurance company the insurance now in force but which is subject, on account of existing loans, to lapsation or twisting. Also to satisfy the insured as to the company's reliability and interest in his behalf. The representatives of our company act as direct home office conservation representatives of the life company, our name being entirely eliminated from the field of operations, and our agents cooperating and working with the regular agents of the company."

Ohio State Appointments

Two general agents have been appointed by the Ohio State. E. L. Wilson becomes general agent at Dayton, O., succeeding E. A. Sauer, who is retiring to take care of his personal business. Mr. Wilson has been field supervisor for the Gem City Life and general agent for the Michigan Life in the past. C. A. Ward becomes general agent at Erie, Pa. He has had seven years' experience as agency manager for the Missouri State at Toledo, Baltimore, Pittsburgh and Erie.

Court's Action Gives High Approval to Annuity Form

Charles Henter of Nebraska at his death left \$100,000, mostly in cash and life insurance. The chief heir is a child 3 years of age. The two executors could not agree as to the way the money should be invested. The district court ruled that a stipulated amount of the life insurance money should remain with one of the companies under an income option and that another amount should be used to purchase an annuity from a company that was named. The Mutual Life of New York in commenting on this action, says:

"One of the executors has appealed the case to the supreme court, but it seems to us very likely that the higher court will uphold the district court in its general order as to investments for the interest of the minor heir. In our opinion, this case is a strong word for life insurance and for the annuities of life insurance companies. It reflects the calm, deliberate judgment of trained minds—not connected with life insurance—in choosing safety and certainty, disinterestedly and without favor, for a child whose fortune and interests the state must conserve and guard.

Regarded as Peerless Device

"For our own part, we look upon the life company annuity as a peerless device for the purpose for which it is required. It provides a sure, safe income, for a known amount. The income from an annuity has its source in the entire financial resources of the company; and this means, looked at in another way, that the annuity, whatever the amount of it, is invested in all the great diversity of investments in which the company has its assets. There is no responsibility, no chance of diminution of income through shrinkage of security values, no risk or loss in making reinvestments forced by maturity dates. Aside from government obligations providing income, an annuity income from an established legal reserve life insurance company is the safest, surest income in the world."

Legislatures Now in Session

Special legislative sessions are in progress in Alabama and in Pennsylvania, the purpose of the gathering in the former state being to consider revenue measures. Whether an effort will be made to impose additional taxes on insurance companies remains to be seen. There has been no suggestion to that end as yet.

Moving Ahead



A. H. HOFFMAN

A. H. Hoffman of Des Moines, president of the Yeomen Mutual Life, which succeeded to the old Yeomen fraternal, is one of the active, energetic and resourceful executives of Iowa. He is a consistent member of the third house at the meetings of the National Convention of Insurance Commissioners. The Yeomen Mutual Life is making splendid progress and is entered in a number of states.

Double Indemnity Case Decided for the Company

In Silverman et al. vs. New York Life the United States district court for western Pennsylvania decides a case involving double indemnity. Benjamin Silverman was insured for \$4,000. On Dec. 22, 1930, being the last day of grace, a son without any proof of agency, mailed a check to the company. The company mailed the assured a receipt Dec. 22. It deposited the check and in due course was returned dishonored. The assured died Jan. 25 as a result of violence. The company admitted that the plaintiffs were entitled to the benefit of continued insurance for \$3,245.51 and paid this amount in court. The plaintiff claimed double indemnity. The company declared it was not liable for double indemnity because the policy had lapsed on account of non-payment due Nov. 22. The jury returned a verdict for the company. The plaintiffs contended that the receipt of the company for the check constituted a payment, although the check was dishonored. The higher court holds that the verdict is amply sustained by the evidence and the plaintiffs do not have any just reason to complain of the verdict.

Canadians Study Securities

TORONTO, Aug. 25.—A special committee of the Canadian Life Insurance Officers Association has been formed to study investment problems. It will be an educational rather than an executive committee. In many cases the investment heads of the companies are dissatisfied with the security provided by bond mortgages, especially in respect to the authority and responsibilities of trustees. The first meeting of the committee was addressed on this phase of the problem by F. R. MacKelcan, corporation counsel National Trust Company, Toronto.

Old Agents Make Good

CINCINNATI, Aug. 25.—The theory that it's the new men who are writing the bulk of life insurance today is blasted

by the July sales records of the Union Central Life. More than \$1,130,000 of business in July alone was written by nine leaders falling in the "old agents" group, composed of men who have been Union Central representatives for more than one year. Broken up, this figure represents better than \$125,000 per man. When totaled, the period of service of the veterans equals 93½ years, an average of approximately 10.4 years per man.

Confer on Ohio Relief Plan

COLUMBUS, O., Aug. 25.—Insurance men had a prominent part in a meeting in Columbus Tuesday of the special committee named by Governor White to formulate a program for relief for home and farm owners who have been brought face to face with delinquent taxes and mortgage foreclosures. The plan devised will be submitted to Governor White and sent by him to the legislature, which will meet in special session in September. C. F. Williams, Cincinnati, president of the Western & Southern, presided.

T. H. Tangeman, state director of commerce, declared that insurance companies, banks and other institutions are not eager to foreclose mortgages. He declared they had shown a desire, on the other hand to extend the contracts.

Insurance Loans Made by R. F. C. in July Are Listed

WASHINGTON, D. C., Aug. 25.—Approximately 5 percent of all the loans made by the Reconstruction Finance Corporation the last 10 days of July were to insurance companies, it is disclosed in figures made public this week. The amounts advanced to insurance totaled \$2,247,500 out of a total of advances of \$49,711,056.

The total of loans made by the corporation since its creation totaled \$866,047,522 at the end of July, at which time also loans totaling \$223,882,599 had been authorized but not disbursed. Of these loans, insurance companies had received \$49,142,315, it was shown, and there were also loans totaling \$16,187,611 authorized to insurance companies but not disbursed.

The insurance loans made during the period covered by the report, the first to be filed under House Clerk Trimble's interpretation of the legislation, included \$850,000 to the Union Indemnity of New Orleans; \$850,000 to Missouri State Life; \$400,000 to State Life of

Indianapolis; \$125,000 to the All-States Life of Montgomery, Ala., and \$22,500 to the Security Mutual Fire of Chatfield, Minn. All the loans were made at an interest rate of 5½ percent.

MISSOURI STATE'S LOAN

ST. LOUIS, Aug. 25.—The Missouri State Life put up as collateral high-grade bonds to obtain the \$850,000 loan from the Reconstruction Finance Corporation. According to Sidney Souers, financial vice-president, the loan represents about 70 percent of the market value of the collateral security. The Missouri State had anticipated the necessity of having about \$850,000 on hand during the early part of August for policy loans but did not wish to sacrifice its good securities. It has been learned that the Missouri State Life in recent weeks has experienced a very gratifying reduction in the demands for policy loans.

DID NOT ACCEPT \$400,000 LOAN

INDIANAPOLIS, Aug. 25.—R. M. Sweeney, president of the State Life, states that his company did not accept a loan of \$400,000 from the Reconstruction Finance Corporation. He said the company made application for a larger amount and was granted \$400,000, which it refused to accept.

VIEWPOINT



AGENCY UNDERSTANDING

Seasoned viewpoint promotes a sympathetic understanding of agency problems insures harmonious relations between agent and Company.

Continental executives are familiar with every day agency problems. Their spurs were won by performance in the field.

This viewpoint, young enough to be aggressive, old enough to be conservative, has been a factor in the success of these Companies and their agents. It insures the DURABILITY of this institution.

**CONTINENTAL
CASUALTY ASSURANCE
COMPANIES**
CHICAGO ILLINOIS



A Statement

by

Julius H. Barnes

Chairman of the Board of Directors

MISSOURI STATE LIFE INSURANCE COMPANY

The eighty million life insurance policies in force in the United States afford striking illustration of the earnest effort which the American people make to protect themselves and their families against misfortune.

In my estimate of duty there is none more sacred than that which devolves upon those who administer the affairs of life insurance companies, to exercise the wisest of courage, the most sterling integrity and the greatest of thoughtful and conscientious care to see that the purposes of the trust placed in their hands are fully and faithfully protected.

To me it is a privilege, yet a sobering responsibility, to be one of those upon whom this obligation rests. The Missouri State Life Insurance Company is one of the great financial institutions of the west. Many people have intrusted to it their protection against the future. It will be my constant purpose and effort to conserve and faithfully to carry out that trust.

There is to me inspiration for such undertaking in the confidence I have in the future of our country and its institutions. Some people have been bewildered, timid and hesitant. That will pass. The courage and resourcefulness which have been characteristic of our people from pioneer days will again become the dominant spirit of our national life.

When we return to happier, more prosperous times, as we shall return, many millions of people will have been helped through the trying days by the great institution of life insurance. And life insurance will go forward to greater development, to larger and broader usefulness.

Julius H. Barnes



Charts Results from Agents' Calls

A valuable survey was recently completed by the Ohio National Life based on daily reports over a six weeks' period from 20 agents of various types. The results were given by E. E. Kirkpatrick, superintendent of agents, at the annual convention of the Builders' Club of that company.

He emphasized that they should not be taken as scientific conclusions, because the exposure is too small, but at least they point the way toward a plan by which managers and agents may analyze their efforts scientifically and correct errors. The figures in the survey are presented in the accompanying chart, based on three groups of agents and six real individual agents. Group A represents those whose results on first calls were more than on the remaining calls, group B the reverse and group C is an average of groups A and B.

Explains Types Used

Agent A has been in business about two years, but mostly as a part-timer and only eight full weeks' full-time. Agent B has been in business five years, but only four as a whole-time agent. He is active and one of the best producers in the Ohio National. He did not report any fourth calls.

Agent C is one of the company's best producers, his low average application being due to temporary industrial conditions in his community. Agent D has been in business two years, Agent E a long time, but has been selling life insurance only recently. Agent F has

been selling life insurance for seven months.

Mr. Kirkpatrick drew the conclusion from this chart that if an agent is getting his business mainly on his fourth calls and thereafter he has a very weak sales talk and he and his manager must take steps to patch it up immediately. If sales are being made on first calls but very few on second or subsequent calls, Mr. Kirkpatrick says it is almost sure evidence that the agent is merely ringing door bells. Occasionally he is finding a person who "buys" life insurance, rather than the one who has to be sold.

If the agent is making more fourth calls than first, second or third calls, Mr. Kirkpatrick says he is "closing out his bankrupt stock" and soon will go out of the business.

Veterans Good Closers

It will be noted that the veteran agents, those in group A, are getting most of their business on second calls. The first is preliminary and to obtain information for a presentation, although they are good enough salesmen to know when a man is ready for a close on first call, and to close him.

The group B men, who are less experienced, are writing their largest average premiums on the fourth call. Mr. Kirkpatrick says this is partly due to their lack of proper sales technique, due to inexperience, as well as to lack of a good sales talk.

The chart of results follows:

Group	1st Call	2nd Call	3rd Call	4th Call	Average
Group A	Average ap. \$ 2,964	Average ap. \$ 3,539	Average ap. \$ 6,300	Average ap. \$ 1,800	Average ap. \$ 2,471
	Volume per call 36.88	185.77	218.75	58.82	190.27
	Number calls per ap. 80	19	29	30	11
	Volume \$41,500	\$ 67,250	\$31,500	\$ 9,000	\$149,250
	Number ap. 14	19	5	6	41
Group B	Average ap. \$ 1,750	Average ap. \$ 1,694	Average ap. \$ 1,917	Average ap. \$ 4,392	Average ap. \$ 2,415
	Volume per call 32.82	70.46	35.38	174.45	68.29
	Number calls per ap. 53	24	25	25	33
	Volume \$33,250	\$ 42,345	\$11,500	\$74,666	\$161,761
	Number ap. 19	25	6	17	67
Group C	Average ap. \$ 2,265	Average ap. \$ 2,491	Average ap. \$ 3,909	Average ap. \$ 3,803	Average ap. \$ 2,827
	Volume per call 34.96	113.81	91.04	137.83	74.38
	Number calls per ap. 64	22	43	28	38
	Volume \$74,750	\$109,595	\$43,000	\$83,666	\$311,011
	Number ap. 33	44	11	22	110
Agent A	Average ap. \$ 2,500	Average ap. \$ 2,000	Average ap. \$ 1,500	Average ap. \$ 3,000	Average ap. \$ 2,214
	Volume per call 15.53	39.06	125.00	117.64	49.34
Agent B	Average ap. \$ 8,666	Average ap. \$ 10,000	Average ap. \$ 25,000	Average ap. \$ 5,000	Average ap. \$ 12,500
	Volume per call 1,000	1,111	5,000	1,000	1,555
Agent C	Average ap. \$ 1,666	Average ap. \$ 1,000	Average ap. \$ 1,000	Average ap. \$ 1,000	Average ap. \$ 1,000
	Volume per call 172.41	166.67	142.86	142.86	166.50
Agent D	Average ap. \$ 2,375	Average ap. \$ 1,000	Average ap. \$ 2,000	Average ap. \$ 5,000	Average ap. \$ 2,500
	Volume per call 13.89	25.00	90.90	41.67	91.04
Agent E	Average ap. \$ 1,416	Average ap. \$ 2,800	Average ap. \$ 1,000	Average ap. \$ 1,000	Average ap. \$ 1,555
	Volume per call 40.67	186.67	13.42	13.42	58.63
Agent F	Average ap. \$ 1,000	Average ap. \$ 1,000	Average ap. \$ 3,625	Average ap. \$ 2,750	Average ap. \$ 2,100
	Volume per call 4.15	7.04	116.94	28.30	28.30

Carbon Monoxide Gas Not "Poison," Michigan Ruling

LANSING, MICH., Aug. 25.—Death from inhalation of carbon monoxide gas in automobile exhaust fumes is not death "by poison" within the meaning of life insurance policies, the Michigan supreme court holds in *Blanche Kingsley vs. American Central Life*.

The body of C. C. Kingsley was found in his garage in Ann Arbor. Examination showed death was due to inhaling carbon monoxide gas. Two physicians testified in the lower court that this gas was a poison and the court hence refused to allow double indemnity as provided for strictly accidental death in view of the fact that the policy specifically provided that death "by poison" would not be considered under the double indemnity clause.

The supreme court holds that the policy should be interpreted in the light of a layman's understanding of its terms rather than according to its technical meaning as fixed by scientists. "There are, we think, few persons,"

Justice Sharpe's opinion reads, "except those who have received medical education or those who have given the matter due consideration who would ascribe a death resulting from inhalation of carbon monoxide gas as due to poison. * * * In our opinion the natural, obvious meaning of the word poison—that understood by people at large—should be applied to it as used in this policy, rather than the technical one as stated by physicians."

Receiverships Are Expensive

Receiverships seem to come high these days. The receivership of the Inter-Southern Life has already cost \$115,000. Judge Ford at Frankfurt stated that further compensation to the receivers would be made.

Jerome Clark in Denver

Jerome Clark, vice-president of the Union Central, who was returning to the home office after a vacation in Rocky Mountain National park, spoke last week before the Colorado agency, headed by M. G. Hodnette of Denver.

Policy Supposed to Have Lapsed in 1922 Is Paid

Samuel E. Harding, agent of the Ohio State at Youngstown, O., in servicing old policyholders in Salem, O., a few days ago called at the last known address of W. L. Leasure of Salem. Mrs. Mary Leasure, mother of Mr. Leasure, now 84 years old, told him her son died in January, 1926; that he had taken a policy with some company some years before, but was able to keep up the premium payments only to 1922; that a short time before his death he talked about the policy being of no value, as the premiums had not been kept up and that after her son's death a diligent search was made for the policy, but they were unable to find any trace of it.

Miletus Garner, Youngstown manager, took the matter up with the home office, which informed him that a policy had been issued to Mr. Leasure Nov. 7, 1917, and that five annual premiums were paid; that in 1922 the policy went into extended insurance, expiring Oct. 7, 1931, and that it was, therefore, in force under the extended insurance provision at the time of his death.

Proofs of death were completed and mailed to the home office and a check for \$1,000, the full face of the policy, was delivered to Mary Leasure, beneficiary.

Corporation Beneficiary of Ex-Employee's Insurance

Although at the time of his death action was pending to change the beneficiary from a corporation, of which Holsapple, the assured, was no longer an employee, to his wife, the Mississippi supreme court has held that the corporation is the beneficiary. The case was First Columbus National Bank, executor, vs. D. S. Pate Lumber Company.

Holsapple was a stockholder and treasurer of the lumber company. In 1927 he terminated his connection and in 1930 filed a bill against the lumber company and the insurer, in which he offered to pay the lumber company's cash surrender value in the policy and that the beneficiary be changed to Mrs. Holsapple. While the case was pending Holsapple died.

The contention was made that the insurable interest of the corporation had ceased and that the corporation did not have the right to continue as the beneficiary over the objection of the insured, after the insured requested a change of beneficiary and offered to reimburse the corporation.

The court held that the beneficiary has a vested interest in the policy after its delivery, of which he cannot be deprived without his consent in the absence of a provision therefor in the policy. The policy in question provided for a change of beneficiary, but only with the written consent of the beneficiary.

Capt. Dunn Recommends in Survey Aviation Risk Agency

(CONTINUED FROM PAGE 2)

favorably that the remaining pilots' experience did not justify ratings substantially lower than those now prevalent. Neither was it possible to show that owner-pilots are a more favorable class, as had been thought by some persons. Army and navy pilots were found to justify low ratings, largely on account of the small amount of flying they do in comparison with the average commercial pilot.

Another feature not in last year's re-

port is a section covering an analysis of various sections of the country to determine if localities in which fogs are unusually frequent are any worse from an accident standpoint. The committee's figures indicate a definite correlation between such bad weather conditions and the accident frequency.

Interest in Dunn's Report

Added interest will attach to the report this year because of statements made in the pamphlet by Capt. R. A. Dunn of the U. S. army air corps. Newspaper accounts of Captain Dunn's booklet quote him as stating that life com-

panies have failed to keep pace with the developments of flying; that they have been slow to realize that every insured life in the future will be an air risk; that they are losing on policyholders of long standing and failing to analyze new risks.

Life insurance actuaries familiar with aviation risks consider that such views are more extreme than the facts warrant, and the Actuarial Society's report should prove of great value in showing just what experience has been which justifies the companies' attitude.

The society's committee consists of Assistant Actuary J. E. Hoskins, Trav-

elers, chairman, and Assistant Actuary H. R. Bassford, Metropolitan, and Vice-president and Actuary E. W. Marshall, Provident Mutual.

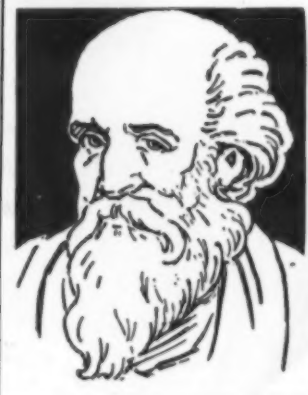
Looking for Buffalo Manager

G. F. Foster, superintendent of agents of the Union Mutual is in Buffalo this week looking for a successor to Manager D. Sullivan, who resigned some six weeks ago to go with the Equitable.

"*Rudiments of Business Finance*," by Meade & Scholz, is recommended for "C. L. U." study and can be obtained from The National Underwriter. \$2.00.



Great Salesmen of History



PAUL

THE story of the conversion of Paul, great apostle to the Gentiles, is possibly the most remarkable in biblical history.

Despised by the Jews whose cause he renounced, and accepted dubiously by the Christians, Paul found his mission hindered on every hand. But he gained in spiritual strength through opposition.

From his logical mind came the first Christian theology and the earliest vision of a universal church. His inspired epistles form a vital part of the New Testament.

His militant faith and indefatigable zeal gave such impetus to Christianity that its onward march has gained momentum steadily with the centuries.

The influence of Paul is one of civilization's most vibrant forces!



ROYAL UNION LIFE INSURANCE COMPANY

A. C. TUCKER
Chairman of the Board

J. J. SHAMBAUGH
President

DES MOINES, IOWA

Sales Possibilities Undeveloped in Maryland!

We Have Some of the Best Counties in the State Open!
Generous Contract—Full Policy Service
Sincere Home Office Cooperation

Let Us Tell You Which Are the Best Counties and Why.

George Washington Life Insurance Company
CHARLESTON, WEST VIRGINIA
HARRISON B. SMITH, President

THE UNION CENTRAL LIFE INSURANCE COMPANY
 ORGANIZED IN 1837

This striking advertisement appeared in the August 6 issue of The Saturday Evening Post.

THROUGH aggressive national advertising in leading magazines and over the Columbia network, The Union Central delivers a powerful message to millions of readers and listeners each month!

This dramatic campaign reaches one out of every three families that need and *are best able to buy life insurance!*

An entirely new method of presentation— as unique as the advertising itself—enables Union Central representatives to cash in to the fullest extent on this national publicity.

**THE UNION CENTRAL
 LIFE INSURANCE COMPANY**
 OF CINCINNATI

Over One and One-Half Billions in Force

Cook Lists Blood Pressure Problems

(CONTINUED FROM PAGE 3)

In the afternoon there was a lively discussion which started with an address by Dr. Ralph A. Reynolds of San Francisco. He mentioned that the growth in the last two or three years of medical and hospital benefit associations in California had been a problem. In the ensuing discussion it was stated that only six of the 200 associations in California are situated to carry on successfully. Among the six, however, are some of the most highly regarded enterprises in the state. Deputy Commissioner Oswald of the California insurance department was at the meeting and several appeals were made to him as to what could be done about the irresponsible enterprise. He refused to be drawn into the discussion, except to say that on the average the department gets two inquiries a day about these associations. Commissioner E. Forrest Mitchell also was on hand and spoke briefly.

Dr. Reynolds made the assertion that there is a distinct trend to socialization of medicine and he expressed the opinion that to check it there must be some adequate insurance plan. He said that doctors' fees have not been so much responsible for increased medical costs as nursing costs, physical therapy, new drugs, x-ray and the various refinements of medicine. In the consideration of cost greater attention should be given to those items, he declared.

Becoming Community Problem

He said that health is coming more and more to be regarded as a community problem. As a possible solution, he suggested that public health departments be given charge of "routine procedures" such as vaccination, toxin, antitoxin administrations, examination of school children, etc., while the more complex aspects of medicine be left to private practitioners.

Around the statement of Dr. Reynolds that the average direct cost per family for medical and hospital charges per year is \$80 arose a long discussion of how insurance might enter the picture through issuance of a medical and hospital reimbursement contract without restrictions. It was the opinion of some that the cost would be so high as to cause selection against the companies. There was discussion of the problem of doctors' charges to insurance companies. Dr. Reynolds admitted there is a certain amount of overcharging, but said the medical profession is distrustful of insurance companies because of their allegedly indiscriminating universal efforts to get doctors' charges reduced no matter what the justification.

It was finally decided that President Lebbly should appoint a committee of four, two from Los Angeles and two from San Francisco, to consult with a committee of the California State Medical Association on these problems.

Effect of Disability Changes

George Johnson, assistant manager United States Fidelity & Guaranty, San Francisco, emphasized the field that had been created for accident and health by the shunning of disability by the life companies.

L. C. Stearns said the life companies started in with disability like a man going into a dark room without a key. At least the non-cancellable companies had a key, he declared. He said the life companies eventually will find that they have not discovered the solution merely by quitting disability. The claims will continue and the premiums will continue to be inadequate. They will cast about to increase their income in that department and he predicted that they will return to the business by way of some sort of "non-can."

Fred W. Timby, manager Preferred Accident, San Francisco, said the problem of meeting the desire for disability

coverage which the life companies formerly offered with some sort of accident and health program must be developed gradually. A. E. Kraus, general agent, San Francisco, and H. I. Burford, Continental Casualty, also participated in this discussion.

Mr. Johnson concluded this discussion by saying that the life companies had educated the public to disability benefits; they had given instruction in how to live without working and now they want the accident and health companies to play Santa Claus. The question, he said, is what policy will offer a satisfactory solution without being forced off the market quickly because of adverse experience.

Wilson Slick Agency Has Shown Remarkable Success

The Wilson Slick agency of the Reliance Life located in Johnstown, Pa., celebrated its ninth anniversary on Aug. 1. Mr. Slick established the agency in 1923 in two rooms. In 1927 the growth of the business produced warranted establishment of a branch office there in charge of Mr. Slick and Cashier Roy Mulhollen. They moved into four offices. Starting from "scratch", the Slick agency has developed into a large producing organization which has placed on the books of Reliance Life more than 3,500 new policies for more than \$12,000,000 of insurance and also has paid for approximately \$55,000 of accident and health premiums. Since Jan. 1, 1928, a branch of the agency has been located in the Central Trust building, Altoona, in charge of General Agent I. E. Slutzker.

Wilson Slick was the first Reliance representative to earn the degree of chartered life underwriter, for which he qualified in 1930, and he is the only life insurance man in Johnstown or Altoona with that distinction. The office personnel of the Slick agency has never changed.

OPPORTUNITY

A prominent Eastern Life Insurance Company is seeking the services of a capable Field Manager.

Requirements—

Ability—

To secure and train men.

To increase production in offices already organized.

Preferable Ages 35 to 40.

Real opportunity for right man.

Also opportunity for 2 general agents in Ohio

Furnish Experience, Results Obtained, Age, and References

Address reply to
 Box W-67

The National Underwriter
 123 William Street
 New York, N. Y.

Coast Convention "Friendly" Affair

(CONTINUED FROM PAGE 1)

menous thing. No one can study the statistics representative of the business that you do without realizing to what an extreme degree the assurance of life and the assurance of health and the assurance of family and the assurance of old age through underwriting today underlies our social structure. I am not at all sure but that it is the most significant and perhaps the most stable element in our American society.

"I am speaking to a group of men and women who nationally represent the most assured, as it may be the most beneficent, form of all our social undertakings. I have only one question to raise in connection with it, and I believe it is of interest to you.

Private or Government Undertaking?

"Insurance is or it may be the coming characteristic of human society. The great issue is, is it to be as it is largely today in America the undertaking of private companies and of private individuals? Is it to provide, as it does here, for distinct savings and sacrifices and contributions of the person assured and benefited? Or is it to become what it is already rapidly becoming in Europe, a function of government? Is the assured to be provided for and his future life made safe by his own individual effort, or is government, already an exceedingly overloaded mechanism, with its power of taxation, its power to take property where it has been accumulated and distributed, as it can do among those who have made no provision, is government to come in and take the function of private assurance of life?

"Government has done that in Europe very generally today, and it is doing it perhaps on an increasing scale.

German Situation Cited

"In Germany a billion and a quarter of all the taxation today goes into the business of life insurance. If you count the contributions which are made by employer and employee the total figure reaches the annual contribution of two billion dollars.

"In other words, what are we going to have in the future? Are we going to entrust this great interest in life, as we have so many others, into the hands of a bureaucracy, into the hands of a governmental mechanism, who will perform the tasks for us and who, through the use of the taxing power, will largely distribute assurance to those classes which have not made and perhaps who are incapable of making private provision of it, or will it remain a private undertaking, a private undertaking which a man can enter with full self-respect and make his contribution and in a way still work out his individualistic safeguards that, I believe, are associated with the greatest political problem that faces the world today, the problem of whether the state or the individual is to take care of life.

"I leave that problem with you and I say again that I am speaking here with great pleasure because I am addressing a branch of our business which is of such importance to life, a branch which has, I believe, in the most difficult times very conscientiously and ably guarded its trusteeship for the stupendous sums which have been committed to its trusteeship, and a great branch of American business which has done in the scientific field one of the greatest contributions, namely an analysis and a clarification of the great facts of human life.

"I believe that if the American insurance business sees its problem in relation to all that it has to meet, the contest of natural forces, the contest with human propensities enlarged and aggrandized as they have been by centuries of warlike undertakings, and the contest that will still await us undoubtedly between an assurance based upon governmental procedure and bureau-

cratic handling—if you can see the thing in all its aspects and if you can measure your undertakings in the full light of the facts, and if you can catch a vision (and I believe a vision is appropriate to you) of what you may do to an assured's independence and self-respect and sow the good life to all classes and conditions of men and women, you will be adequate for the future of this great business which is in your hands."

Tentative Program For Legal Section

(CONTINUED FROM PAGE 1)

will be the next paper, by J. T. Gose, attorney of Los Angeles, who is an authority on the subject. "Some Observations on Taxation" by C. G. M. Wynne, tax counsel Sun Life of Canada, is scheduled for the closing address of the morning.

"Life Insurance Contracts With Minors" is the subject of a paper by R. L. Douglas, general counsel American Union Life, St. Joseph, Mo., which will open the afternoon session.

"The President Looks at the Law Department" by L. F. Lee, president Occidental Life, Raleigh, N. C., is a subject decidedly different from a Legal Section gathering. Judge May regards this subject as of so much interest that he has asked E. B. Raub, vice-president and general counsel Indianapolis Life, to speak on the sequel to President Lee's address. Mr. Raub's paper will be titled: "The Law Department Looks at the President."

The election of officers will bring the formal program to a close shortly before dinner the afternoon of Oct. 4.

As has been announced the annual meeting of the main body of the A. L. C. will open at the Royal York in Toronto the morning of Oct. 5 and will continue through Oct. 6 and 7.

Double Indemnity Clause Invoked After Explosion

The Michigan supreme court in Long vs. Aetna Life decides a case on explosion of cleaning fluid, the double indemnity clause being invoked. Assured was in the basement cleaning clothes with gasoline in an electric wash machine. An explosion occurred, his clothing was set on fire and he was fatally burned. Double indemnity was claimed on the ground that the provision of the policy was for such payment if injuries were sustained in contact with a burning building. It was not proved that the assured's clothing caught fire from the burning building. Negotiations between the company and the attorney resulted in a draft for \$1,100 being paid accompanied by a release. Over a year later the beneficiary tendered back the money, which was refused; and suit was brought. The plaintiff claimed fraud in being induced to make the settlement in that a representative of the company told her she was not entitled to double indemnity because her husband did not die in the building. It appears, however, that she did not rely on the representation because after it was made she presented claim for double indemnity, negotiations to obtain it being made by her agent, Roy Long, and she was guided by him in finally accepting settlement. There is no merit in the claim of fraud. The court holds that the proofs of death and accompanying affidavit, which assumed to prescribe the accident did not state facts showing double indemnity. The settlement was binding on the plaintiff, the court found.

Hopton with Bankers Reserve

B. E. Hopton, for nine years with Detroit Life, has resigned as assistant vice-president to become affiliated with the Bankers Reserve Life of Omaha.

THE men who direct the destinies of an institution are as important an indication of its strength as are the figures of its financial statement.



F. A. CHAMBERLAIN

Chairman of the executive committee, First National Bank of Minneapolis. An NwNL Director and member of its executive and finance committees since 1905.



E. W. DECKER

President of the Northwest Bancorporation and of the Northwestern National Bank of Minneapolis. An NwNL Director and member of its executive and finance committees since 1905.



C. T. JAFFRAY

President of the "Boo Line" Railway and Chairman of the Board of the First Bank Stock Corporation. An NwNL Director and member of its executive and finance committees since 1905.



THEODORE WOLD

Vice President, Northwestern National Bank and formerly Governor Federal Reserve Bank, Ninth District. An NwNL Director and member of its executive and finance committees since 1926.



E. L. CARPENTER

President of Shervin, Carpenter & Clarke Co., nationally known wholesale lumber dealers. Also President, National Association of Lumber Manufacturers. An NwNL Director since 1911.



A. F. PILLSBURY

Treasurer, Pillsbury Flour Mills Company, known all over the world. A Director of NwNL since 1924.



THOMAS P. WALLACE

President, Farmers & Mechanics Savings Bank, the largest savings bank between Cleveland and San Francisco. An NwNL Director and member of its executive and finance committees since 1924.



F. T. HEFFELFINGER

President, F. H. Peavey Company, largest grain firm in the world. A Director of NwNL since July, 1928.



O. J. ARNOLD

President, Northwestern National Life. A Director and member of its executive and finance committees since 1925.

**NORTHWESTERN NATIONAL
LIFE INSURANCE COMPANY**

Minneapolis, Minn.

STRONG

LIBERAL

THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION

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Every Day Is a Great Day

IF THE present organization built by the institution of life insurance were suddenly destroyed or crushed out, much in the same manner as one would crush an ant hill with the heel, heroic measures would instantly be put into effect to rebuild. Life insurance has reached such a position of eminence and has become so important a factor in the scheme of life that living would seem an empty void without it.

The first requisite in the rebuilding of the organization would be an aggressive and sympathetic agency force. As new business was obtained and the business in force grew in amounts, assistant managers, managers, junior and senior executives would be needed and added to the organization. In the main, the progress of the whole venture and its value to the community it served would be in direct ratio to the measure of the intelligent aggressiveness of the agency force. The major portion of the executive and semi-executive positions would have to be filled from this same body of men.

Nothing stands still; there is a backward or a forward movement noticeable all the time. We know that the institution of life insurance is going to reach heights of service and glory not yet con-

ceived possible by the men and women connected with it today. Many pleasant memories and much wealth can be stored away by those individuals in the agency force who have that inner urge to serve the insuring public and who act upon it. Someone recently said, "A good salesman finds customers on fair days and in foul weather, while the mediocre or poor salesman only finds 'nothing doing.'" Now, as never before, opportunity for much public service, and personal compensation, presents itself to the good salesman in the profession of life insurance solicitation.

What is your frame of mind when you get up in the morning—the answer will be the measure of the business you do that day. There is an agent, high in records of placed and paid-for life insurance, who says to himself upon getting up on a rainy and disagreeable day, "Great, they will all be in today and I won't have much competition." This live wire also says on the morning that promises a beautiful, sun-shiny day, "Great, they certainly will feel good today and will be in love with the world." It is needless to look for any other explanation of his record. He knows that the old law of averages works because he is willing to work.

How Estates Are Undermined

LIFE agents are finding in their rounds a very strong argument for adequate insurance in the fact that during the last three years plans evidently in minds of many policyholders went awry on account of the business conditions. For instance, a man of considerable wealth desired to leave bequests here and there, the residue of the estate to go to his dependents. The individual sums involved in the bequests would have to be paid and when these were

met it was found that the residue had shrunk very greatly and beyond all that the policyholders had anticipated. In order to pay the bequests it was necessary to sacrifice part of the estate. Agents are pointing out to prospects the desirability of avoiding just such a contingency. Life insurance can provide for such bequests as a person desires to leave and thus the estate is not undermined at death as it may be if it consists entirely of ordinary securities.

PERSONAL SIDE OF BUSINESS

President

E. W. Cameron, Minnesota state agent for the Equitable Life of Iowa, and Mrs. Cameron, are taking an extended western trip. Mr. Cameron was a delegate from the Minneapolis association to the National Association of Life Underwriters convention in San Francisco. They will visit Portland and Seattle, taking the Canadian route home, and stopping at Victoria, Vancouver, Lake Louise and Banff.

After several months' illness, Evan L. Ragland, Sr., 74 years, died at his home at Jackson, Miss. He served as state manager of the Fidelity Mutual Life until his retirement several years ago. His son, E. L. Ragland, Jr., succeeded him.

Tom L. Bradford, 63, chairman of the board Southwestern Life of Dallas, capitalist, philanthropist, and mayor of the city, was stricken with a heart attack while chatting with friends at his club in Dallas and died an hour later.

Aetna Life agencies in Arkansas and Louisiana on Aug. 20 presented to Gordon H. Campbell, Little Rock, 217 applications for \$606,686 in life insurance in celebration of his birthday. The presentation was made by L. M. Samuel, Aetna representative in Little Rock. Each application included the personal greeting card of the agent, and these cards were made into a gigantic birthday greeting.

Ormond O. Black has returned to the Protective Life as assistant secretary after a short time as manager of WAPI broadcasting station, Birmingham.

E. F. Dewbre, 58, production manager of the Metropolitan Life at Memphis, Tenn., died there last week. He joined the Metropolitan Life 16 years ago.

Hugh J. Farrell, special home office representative of the Hooper-Holmes Bureau of New York in the southwest, is now a proud father. Hugh J., Jr., was born at San Antonio, Aug. 10.

Mrs. Mary I. Schwall, 39, wife of Walter F. Schwall, assistant manager of the Sun Life at Columbus, O., died in a hospital in that city following an operation.

The Oklahoma City office of the Hooper-Holmes Bureau of New York has been placed under the direction of Scott Hundley, who has been transferred to San Antonio. His father was a well known general agent at Waco, Tex., known to the southwest as "Squire" Hundley. A. P. Hundley, a brother, is secretary of the Republic Fire of Dallas, Tex. Scott Hundley succeeds T. J. Tinney, who has been transferred to Indianapolis.

W. T. O'Donohue, vice-president and head of the agency department of the Manhattan Life, suffered an attack at his home in Nyack, N. Y., and is seriously disabled.

W. P. Behling, cashier of the Northwestern Mutual Life in Milwaukee, has completed 50 years of service with the company. He started as an errand boy in the cashier's department and was appointed cashier in 1912.

Franklin B. Mead, executive vice-president Lincoln National Life, will receive congratulations Saturday on his 57th birthday. He was born at Greenfield, O., Aug. 27, 1875. A graduate of the University of Cincinnati and later receiving a B. A. degree from the University of Michigan, Mr. Mead has gained a position in life insurance work



SIGOURNEY MELLOR

Sigourney Mellor, manager of the Provident Mutual in Philadelphia, is president of the Provident Leaders Club, which is holding its convention at White Sulphur Springs this week.

as actuary, and executive underwriter, seldom matched in the business. He is a member of the Actuarial Society of America, American Institute of Actuaries, Casualty Actuarial Society, American Statistical Association, Fraternal Actuarial Association and American Mathematical Society and has made many notable contributions to the literature of insurance.

Ely A. Schweiger, Jefferson, Wis., agent for the New York Life, has secured one new application each week for 800 consecutive weeks, or practically 16 years. There are only four other agents in the country who have exceeded his record.

Mrs. Victoria Warner, wife of Superintendent Charles T. Warner of Ohio, is confined in a hospital in Columbus as a result of a fall. Several months ago she suffered a very serious attack of illness.

Charles M. Biscay, advertising manager of the Western & Southern Life, has been named as advisory counsel to the public relations committee of Xavier University.

Miss Patricia Marie Cummings recently arrived at the home of O. Sam Cummings of Dallas, Texas state manager for the Kansas City Life.

O. H. Menold, agency director of the Stock Exchange branch of the New York Life in Chicago, has just entered his 41st year of service with the company, the anniversary being Aug. 6. He has been in Chicago about six years, served some time in Nebraska, and also in the south.

The Fidelity Mutual Life has announced that M. E. Steinhilber, northeastern Ohio general agent, has been elected a director of the Leaders Club. Installation of directors will take place at the annual convention to be held at Hot Springs, Va., Sept. 6-8. Mr. Steinhilber, who stood second among the leading producers for July, will attend the convention.

Compare These Participating Rates!

A Few of Our Participating Policies with Rates per \$1,000 at Age 35.

Endowment at Age 85.....	\$21.81
Economic Protector (Low Cost Whole Life).....	15.32
The Pure Protector (Low Cost Whole Life with Adjustable Options).....	16.58
Preferred Modified Whole Life....	19.70
Family Income, 20 Year Plan....	27.31
Endowment at Age 65.....	28.58
Retirement Income at Age 60....	43.03
Retirement Income at Age 65....	32.70
Twenty Year Endowment.....	42.76
Twenty Payment Life.....	30.04
Thirty Payment Life.....	24.30
Paid Up at Age 60.....	26.44
Yearly Renewable Term.....	9.68

Also Attractive Annuities and Juvenile Policies

A Real Opportunity in Twenty-Six States for Live Men with an Aggressive Organization

Write F. A. Hicks, Superintendent of Agents, for Details of Our Liberal Agency Contracts

GUARANTEE MUTUAL LIFE COMPANY

A Mutual Legal Reserve Life Insurance Company

Omaha, Nebr.

ORGANIZED 1901

Make your work easier with these practical tools

LIFE UNDERWRITERS find there is no substitute for work. Work—the proper application of energy—still remains a fundamental requisite to success in life insurance.

Work plus the practical tools offered agents by this company make a combination hard to beat. Here are some of the tools offered our agents which will also help make your work more remunerative and easier.

- a liberal agency contract
- a complete line of modern policies
- juvenile policies, sub-standard
- double indemnity, total disability
- low non-participating rates
- organized presentations
- a fool-proof visual sales kit
- a daily working plan
- a condensed but comprehensive training plan
- a conservation program that helps keep policyholders sold and reduces lapses

Connect with a company that will give you the greatest help and make it as easy as possible to operate. For openings in Ohio, Michigan, Illinois, Indiana, Kansas, Oklahoma or Texas, write George L. Grogan, Vice President, in Charge of Agencies.

The Federal Reserve Life Insurance Company

Kansas City, Kansas

The Convention Season

This is the time of year when many of the companies, and the National Association, hold their annual conventions. In recent years these have developed into efficient sales congresses, at which men recognized as successful occupants of the firing line, and successful managers of their company's sales organizations, get down to brass tacks to discuss life underwriting work and its various conditions, and to demonstrate tried methods of salesmanship.

There has been practically no moaning and groaning at this year's meetings. Instead, conventioners are forcefully prophesying that the sun of life insurance will by and by shine with a brilliance that it had never before attained. There has been none of that "prosperity just around the corner" talk that was heard two years ago, but there has been and is a "feeling" that betterment is already visible and that the public has substituted a new-gained confidence for its paralyzing fear.

THE PENN MUTUAL LIFE INSURANCE COMPANY

WM. A. LAW, President

Independence Square

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EFFICIENCY

Efficiency Is the Elimination
of Wasted Effort

Our policies increase your efficiency
by saving time and effort — they
meet the needs of desirable customers
and prospects.

If you are interested in a permanent
connection in Ohio or New York, it
will pay you to investigate.

JOHN M. HULL,
President

FRANK F. EHLEN,
Director of Agencies

BUFFALO MUTUAL LIFE INSURANCE COMPANY

452 Delaware Avenue

Founded 1872

Buffalo, N. Y.

NEWS OF THE COMPANIES

Judge Upholds Central Life

Denies Petition for Receiver in Mysterious Spite Action—Company in Fine Shape

A mysterious petition asking for a temporary receiver for the Central Life of Illinois, filed last week in the Cook county superior court in Chicago, was denied by the court for want of equity. It is thought the proceedings were brought by a group disgruntled over the recent reinsurance of the Security Life by the Central Life. J. R. Cohler, the same attorney who represented the stockholders' group in the proceedings against the Old Colony Life, represented John Benson, the petitioner, a farmer, who holds 20 shares of Central Life stock. Judge Ross C. Hall would not consider the petition because of its generalization and lack of facts in the allegation. The judge said that any one could express an opinion as to the standing of a corporation, but a receivership petition to be effective must contain facts and the petitioner be prepared to substantiate them.

Seeks to Stall Case Along

The main objective of the petitioner seemed to be to stall the case along in an attempt to damage the excellent reputation of the company. When Attorney Cohler saw he could not secure the appointment of a temporary receiver, he withdrew that motion and insisted on a master of chancery reviewing the merits of the bill of complaint. Attorney L. A. Stebbins, representing the Central Life, demanded immediate action. The judge refused to allow his master to review the case due to the lack of facts and denied the petition for want of equity.

The proceedings against the Central Life were a decided surprise as the company has been operated in an efficient manner by a reputable management. It is generally conceded that it was only a spite action.

Factors Back of Suit

The factors back of the stockholders' proceedings to secure receiver for both the Central Life of Illinois and the Old Colony Life, are said to be James H. Benjamin and the Chicago Equity Owners Association, which is incorporated by O. K. Fike, William R. Houze and H. B. House. The objective of the proceedings is not known but the minority stockholders represented in the suits evidently did not bring the action on their own initiative.

The petition for receiver was filed late in the afternoon and it was evident that wide publicity was sought by the action. Inasmuch as petition for receiver for the Old Colony Life was brought at the same time by the same crowd, it was seen that this gave the whole transaction greater news value. During the hearing on the disposition of the Security Life's business, a group appeared in opposition to the Central Life. The supposition is that the receivership petition was chiefly an outgrowth of the Security Life transaction.

Stock Not Taken Up

It is now stated that John Benson, the farmer near Ottawa, Ill., was visited and offer was made to purchase 10 shares of his stock. He went to Ottawa to see his attorney, the 10 shares were put up in escrow, the offer being \$30 a share, and the promise was made that he would be paid last Monday. Mr. Benson is still holding the bag as the stock was not taken up. The Central Life is having a thorough investigation made of the motives for bringing this suit and it would not be surprising to see conspiracy charges made by the authorities.

Kentucky Home Is Licensed

New Louisville Company Will Take Over the Defunct Inter-Southern Life

The new Kentucky Home Life of Louisville, million dollar company, formed to take over and operate the defunct Inter-Southern Life, was licensed by the Kentucky department on Aug. 18. The new company is now signing up its agency organization. Under its contract with the Franklin county circuit court the new company did not agree to take over the Inter-Southern agency organization, or assume any contracts or liabilities in connection with such agents, but it is planned to take on a number of the better former special and general agents of the old Inter-Southern.

Taking Over the Agents

The past week four general agents were signed up and five or six more general agents and perhaps 30 writing agents will probably be given contracts the coming week. The interested agents are being told to come in and then the proposition is outlined to them. The new company is not planning on a very large agency organization. It is only planned to enter five to seven states at this time. The states under consideration other than Kentucky include Indiana, Ohio, Tennessee, Nebraska, Arkansas and Florida.

Ellsworth Regenstein, former general agent at Cincinnati for southern Ohio and northern Kentucky, is director of agents. His old agency at Cincinnati will probably be continued for the new company, under the direct management of his son, Ellsworth Regenstein, Jr., who was with the agency for several years. The Kentucky Home Life is licensed to write life, health and accident insurance. It has capital of \$500,000; surplus \$500,000; assets, \$1,007,151, and liabilities, \$7,151.17.

Purchasing a New Building

Republic Life of Dallas Will Have Its Own Home Office Structure in Suburbs

The Republic Life of Dallas has purchased the Medical-Dental building in Oak Cliff for \$610,000 and will occupy it as a home office building. It is an eight-story structure. Vice-President E. H. Banta announces that the company has increased its capital by \$50,000, which now totals \$155,000. There has been added to surplus also \$50,000.

The Medical-Dental building is one of the largest suburban professional buildings in the southwest. Sixty percent of the building space is now rented and 90 percent of the ground space is occupied.

The Republic Life started in business in 1928. It confines its operations to Texas only. It has branch offices in San Antonio, Denison and Houston. It had insurance in force at the beginning of the year \$13,540,500.

Rounding Out Forty Years

Great-West Life of Winnipeg Has Had Successful Career Since It Began Operations

On Aug. 18 the Great-West Life of Winnipeg completed 40 years of successful life insurance service. It was founded in 1892 by the late Jeffrey Hall Brock. The first complete year's business amounted to \$1,820,800 and by the end of December, 1893, \$2,131,500 of business was held in force on 910 lives. Within three years of its incorporation branch offices had been established in

Montreal, Toronto and St. John and agencies had been organized in some 190 towns and cities east and west. In 1892 the company had 90 agents; now there are nearly 1,500 holding contracts.

Today, under President G. W. Allan and General Manager C. C. Ferguson, the Great-West Life has become a huge international institution with \$600,000,000 of business in force and assets amounting to \$135,000,000. It is interesting to relate that R. T. Riley, vice-president since its inception, is the holder of Policy No. 1, which is still in force.

Buffalo Mutual Figures

The semi-annual statement of the Buffalo Mutual Life shows assets \$1,148,650, contingency reserve, \$25,000; surplus, \$132,626; increase in six months, 12 percent. Bond investments have increased \$761,812. The only real estate it owns is its home office property. New business has doubled during the six months, the figure being \$1,031,000 as compared to \$553,000 last year. The company now has 20 general agencies in Ohio, New York and Puerto Rico. New business is averaging \$400,000 a month.

Great American in North Dakota

The Great American Life has been licensed in North Dakota. Carl B. Olsen, Bismarck, is state manager and a director of the company. Dr. G. A. Perkins, Dickinson, will serve with Mr. Olsen on the board. Issuance of their license was celebrated at a banquet in Bismarck. Special guests of the com-

pany were Commissioner S. A. Olsness, A. R. Aslakson, deputy commissioner; R. Prenner, actuary; Attorney General James Morris, and J. E. Davis, president of the Dakota National Bank & Trust Company.

All-American Increases Capital

The All-American Life, organized in Amarillo, Tex., in 1931, with "Panhandle" people as officers and directors, has announced a 15 percent increase in capital to care for expansion of its business. In May, 1931, it had \$209,149 insurance in force, while it now has \$2,409,250.

Eckert Assistant to Duffin

James R. Duffin, president of the Equitable Life & Casualty of Louisville, has appointed Carl J. Eckert of that city as his assistant. Mr. Eckert has been in the insurance business in Louisville for a number of years.

Mr. Eckert has had 11 years' experience in home office management. He was formerly associated with Mr. Duffin, and for a number of years was connected with the Inter-Southern Life. With this knowledge of insurance, Mr. Eckert is well qualified to assume his new duties.

Life Company Notes

The Western General Life of Colorado has withdrawn from Oklahoma.

The Old Republic Credit Life of Chicago has been licensed in Kentucky.

The Gibraltar Life & Accident of Denver has been licensed in California. John H. Riordan, former attorney for the insurance department, is named as temporary general agent.

LIFE AGENCY CHANGES

Two Agencies Consolidated

Offices of California-Western States Life in Los Angeles Put Under Unified Management

The California-Western States Life has consolidated its agencies at Los Angeles. E. T. Gilbert, manager of the central agency, becomes manager of the consolidated agency, following the resignation of Howard H. Hoyt, who was manager of the Sunset agency. The office of the Central agency will be closed and the consolidated agency will be in the Chamber of Commerce building. L. C. Tallman is assistant agency manager. A. N. McLennan is agency organizer at Santa Barbara. San Diego and Imperial counties, with Neil Nettleship, agency organizer, in charge at San Diego, were formerly under the Central agency and have been transferred to the Los Angeles agency. Manager G. H. Page of the Los Angeles agency will thus have his territory increased by San Diego county.

F. M. McMillan

The position of supervisor in the Penn Mutual's Atlanta agency, made vacant by the promotion of H. J. Crain to general agent, has been filled by the promotion of F. M. McMillan. He became in 1928 an agent for the Northwestern Mutual at Columbus, Ga. Throughout his three years' connection with that company he led the agency as a personal producer. In 1931 he was appointed district manager of the Penn Mutual at Columbus, his territory comprising the city itself and 22 adjacent counties.

Virgil O. Duffin

Virgil O. Duffin, for a number of years a member of Duffin & Tucker, Louisville general agency for the Inter-Southern Life, has become associate general agent for the Minnesota Mutual Life in the Murrell general agency at Louisville. Mr. Duffin is a half brother of J. R. Duffin, former president of the Inter-

Southern, now president of the Equitable Life & Casualty of Louisville.

Frank Drake, John Cox

Frank Drake has succeeded Paul T. Sessions as Birmingham, Ala., manager of the Massachusetts Mutual Life. Mr. Sessions remains with the company as a personal producer. John Cox, formerly a member of the general agency firm of Cox & Sessions, has rejoined the company as special agent.

William A. Gillespie

William A. Gillespie, general agent Oregon Mutual Life at San Francisco since June, 1929, has resigned effective Oct. 1. Mr. Gillespie began his life insurance career as a personal producer with the Connecticut Mutual Life, later becoming supervisor of agents under John D. Lively, general agent. Mr. Gillespie has made no announcement as to his plans but it is understood that he will enter personal production.

K. G. Snyder

The Detroit Life has closed its Chicago branch office. K. G. Snyder, manager in charge, will make a connection with some other company.

Ben Baggett

The Snyder Brothers general agency, Louisville, has appointed Ben Baggett of Dallas, Tex., as supervisor of its life department, representing the Columbus Mutual Life. He succeeds Dave Shepherd of Sewanee, Tenn.

Life Agency Notes

Charles Hughes has been appointed district manager at Tacoma, Wash., for the Continental Assurance.

William Brown, Mobile, Ala., manager of the Metropolitan Life, has been transferred to New Orleans as manager of the Tulane branch. H. W. McClure, Jr., of Washington, D. C., will take charge of the Mobile office.

L. H. Rudd, formerly head of the underwriting department at the Newark branch office of the Public Indemnity, who resigned Aug. 15, has joined the Newark agency of the North American Life. Mr. Rudd was a life underwriter before he entered the casualty field.



Maximum Protection For Minimum Initial Outlay

The effort to increase the purchasing power of reduced incomes prompts renewed interest in guaranteed cost life insurance.

Maximum protection for minimum initial outlay has a special appeal today and so does certainty as to ultimate cost.

The Connecticut General Life Income plan insures the life to the retirement age selected and then pays a monthly income for life.

Connecticut General Life Insurance Company Hartford, Conn.



T-H-E
COMBINATION
I-D-E-A-L

Liberal policies
—
Good territory
—
Agency—Building
Co-Operation from
Home Office
—
Efficient Claims
Service

SUCCESSFUL
-- NATIONAL
-- AGENCIES

Are you making PROGRESS? If not, are you willing to spend TWO CENTS to learn WHY National Casualty salesmen forge ahead continually?

We have a full line of Commercial, Industrial, Group and Deferred Payment Accident and Health policies. A connection with this company will be the TURNING POINT IN YOUR LIFE.

NATIONAL CASUALTY COMPANY

Detroit, Michigan

W. G. Curtis, President

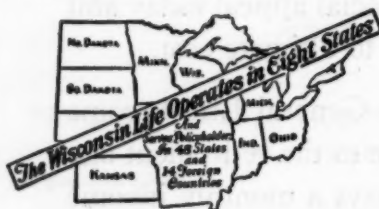
Our Agency Turnover Is Low

We appreciate the fact that men seeking an agency contract are careful and discriminating. As proof of our service to agents and policyholders we can refer to satisfied agents who have been with us many years.

Non-forfeitable renewal contracts.

THE WISCONSIN LIFE INSURANCE COMPANY

Madison, Wisconsin



If your territory is open we shall be glad to mail you, upon request, a copy of the contract and the details of an unusually attractive agency offer.

juvenile policies “...JUST LIKE DAD’S”

LIFE Insurance contracts “just like dad’s” for children ARE available!

A complete selection of policy contracts, including Twenty Payment Life, Twenty Payment Endowment at Age 65, Twenty Year Endowment, Educational Endowments maturing at any age or ages specified between 16 and 21, and other standard continuous payment and limited payment long-term endowments, are issued from date of birth.



MUTUAL TRUST

LIFE INSURANCE COMPANY

EDWIN A. OLSON
PRESIDENT

CHICAGO
ILLINOIS

“AS FAITHFUL AS OLD FAITHFUL”

This is the first of a series concerning Mutual Trust Life Insurance Company's Juvenile Policies.

LIFE COMPANY CONVENTIONS

Rural Bankers Life Meeting

South Bend, Ind., Company Holds Convention of Its Agents to Celebrate First Year

Nearly 200 Indiana agents of the Rural Bankers Life of South Bend, Ind., met in that city in honor of their first anniversary. Judge R. M. Potts, Chicago, former insurance commissioner of Illinois and well known attorney, gave the principal address in which he discussed the problems in the insurance field today.

Judge John V. Sees, president of the company, gave the welcoming address. The arrangements for the affair were under the charge of F. H. Tighe, secretary and general manager.

Judge Potts gave a detailed history of the growth of insurance from its beginning and explained all its aspects, some of them little known even to insurance men.

Write Over 7½ Million

Judge Potts said in part:

“Fundamentally no insurance institution actually insures, but simply acts as a medium through another. All funds collected as premiums or otherwise, less administrative expense, except sums taken as profit to stockholders in corporate companies, are trust funds held by all insurance companies to carry out their contracts.”

During the luncheon at which the business was transacted a surprise wedding was held. An agent from one of the towns south of South Bend was the principal.

During the first year the company has written over \$7,500,000 in business.

El Capitan Club Plans Told

Leading Producers of California-Western States Life to Gather at Del Monte, Cal., on Aug. 29

The California-Western States Life will be host to the largest convention of leading producers in its history when the El Capitan Club holds its annual meeting at Del Monte, Cal., Aug. 29. More than 60 salesmen have qualified, about 20 of them qualifying double, with the privilege of taking their wives. Requirements, as in the past, are \$125,000 written and paid for pro-rata, with a minimum of \$3,000 premiums on not less than ten cases. A minimum of \$4,000 in premiums qualified double.

The business sessions this year will emphasize intensive examination of new sales material and procedure which have been promulgated by the company the past year. There are to be serious business sessions each half day and also an interesting entertainment program. The conference of agency managers will be held Monday morning. The gathering will attend a dinner tendered the members and their wives by President J. Roy Kruse Wednesday evening.

The presidency of El Capitan Club, won by greatest volume of paid pro-rata business, goes again this year to Grant Taggart of Cowley, Wyo., who has written over a million a year for several years in a sparsely settled territory.

Penn Mutual Conventions

The annual convening of the Penn Mutual home office officials and agents will take place at White Sulphur Aug. 29-31. Vice-president Stevenson has put together a well-balanced program, suited both to experienced and the less experienced agents. The Penn Mutual Agency Association, composed chiefly of general agents, will have its annual meeting Friday and Saturday.

Provident Mutual Men Meet

Agents in “Leaders” Club Hold Annual Session at White Sulphur, President Linton Attending

The “Leaders” club of the Provident Mutual held its 1932 convention at White Sulphur Springs, W. Va., starting Tuesday and continuing through Saturday. Ninety-six agents qualified this year, 11 being “Blue Ribbon” leaders who produced not less than \$400,000 in the club year ended June 30. Practically 165 persons attended, including members, guests and home office officials.

Sigourney Mellor of Philadelphia is club president this year with highest production. Vice-presidents are William Kennard of Philadelphia, G. F. Little of Chicago, Henry Sonneborn, Jr., Philadelphia, and D. T. MacKinnon, Detroit, and I. P. Miller of Philadelphia is secretary and treasurer. The theme was “Tuning in with the Times.” President and Mrs. M. A. Linton were

“The Technique of Joint Field Work”

Just published 32-page portfolio—\$1.30

The Insurance R & R Service
Indianapolis, Indiana

\$1,000 to \$1,600

Ordinary Life Insurance at An Average Cost GUARANTEED OF ONLY \$14.00 per \$1,000

Of course issued in larger amounts

**ALL PREMIUMS
RETURNED**

in addition to face of policy in event death before age 60

FULL FACE THEREAFTER AND PREMIUM REDUCED 20%

Original cost, age thirty, \$21.40 per \$1,000 to age 59; \$17.19 per \$1,000 thereafter

Write for Sample and Particulars

This is one of many unique contracts issued by

Federal Union Life
FRANK M. PETERS, President
Cincinnati, Ohio

Conservation
and
Reclamation
of
Life Insurance

The Otis Hann Co.
INC.
JACK ROBERTS HANN, Pres.
333
NORTH MICHIGAN AVE
CHICAGO

hosts to "Blue Ribbon" leaders at the Greenbrier Monday. F. C. Morss, superintendent of agents, extended greetings of the home office at the Tuesday evening opening meeting, when officers were installed. B. M. Ogelsby, general agent, Pittsburgh, extended greetings from the general agents' association. A reception and dance followed.

Wednesday morning the theme was "Timely Planning and Prospecting." William Kennard of Philadelphia No. 6 agency presiding, when ten-minute talks were given on "How I'm Tuning In." Discussion group meetings were held on the main subject. In the afternoon there was a golf tournament.

Thursday morning the theme was "Tuning in with the Times at the Home Office." G. F. Little of Chicago No. 9 agency presiding. Henry Bossert, Jr., spoke on "New Insurance or Old?" E. W. Marshall on "Our Timely Goods," F. P. Todd on "Static." President Linton gave a highly optimistic picture in his address on "The Outlook." An informal conference with company officers followed, presided over by Henry Sonneborn, Jr., Philadelphia No. 6.

D. T. MacKinnon of Detroit presided Friday morning, the subject being "Keeping Sales Methods in Tune." There were visual sales talk demonstrations participated in by several agents and discussion groups met on the subject "Keeping Sales Methods in Tune." A banquet was held Friday evening with Sigourney Mellor presiding. W. B. Buruss spoke on "Facing Facts Optimistically."

Atlantic Aces in New York

Present Opportunities and Future Possibilities Theme of Annual Agency Meeting—Swink Speaks

The annual Aces convention of the Atlantic Life was held this week in New York. The convention topic was "Present Opportunities—Future Possibilities." President A. O. Swink led off, presenting an analysis of the year's work together with Atlantic's position today. W. M. Morris, vice-president, followed with "Present Situation and Future Trend

of the Life Insurance Business." Subjects discussed by other speakers were: "Organized Time and Possible Results," H. F. Sharp, president Atlantic agency; "Organized Sales Talks," Clayton Demarest, Jr., general agent Baltimore; "Argument for Ordinary Life, Non-participating," J. C. Marsh, special agent, Washington, D. C.; "Atlantic's Advantages in 1932," W. R. Gardner, supervisor; "Your Responsibility and Mine," Dr. F. P. Richter, medical director; "This Business of Selling Life Insurance," W. S. Vogel, general agent Newark, N. J.; "Selling Possibilities Offered by the New Tax," R. G. Richards, agency secretary; "Intensive Work in the May Anniversary Campaign or How I Won Those Checks," J. E. Williams, special agent, Disputanta, Va.; "Developing a City Clientele," R. N. Flickinger, special agent Norfolk, Va.; "Use of Juvenile as a Business Builder," A. C. Ridgeway, special agent Washington, D. C.; "Ideas as to Production under Present Conditions," G. T. King, Jr., vice-president Atlantic agency.

43 Awarded Service Pins

Award of service pins to 43 representatives was announced. Col. Edward E. Goodwyn, Emporia, Va., received the first 30 year pin. Guy W. Stulting, secretary Atlantic agency, Richmond, received a 25-year pin.

Checks were awarded leaders in the Business Builders Club. L. F. Jennings, general agent, Cleveland, and Samuel Silver, oldest representative in point of service in the Newark agency, tied for first place in Group 1 with renewal records of 91 percent. J. N. Buck, agency director at Washington, D. C., earned the highest award offered in Group 2. In addition to obtaining a good volume of new business, he maintained a renewal record of 96 percent. L. B. Schellhase, Cincinnati general agent, was second in this group with a record of 87 percent.

The Newark agency in charge of W. S. Vogel was the first agency to win the first leg on the new silver cup given by President Swink for excellence in conservation work during the past year.

Next year's convention will be held at the Edgewater Beach Hotel, Chicago, Aug. 27-30.

IN THE SOUTH AND SOUTHWEST

Texas Special Session Called

Modification of Robertson Law Likely to Be Brought Before Legislators

In the call of Governor Sterling of Texas for a special session of the legislature Aug. 30, one of the objects is to amend the law to allow life companies to invest in home loan banks and make more money available to Texans.

The call will pave the way for introduction of a bill for modification or repeal of the Robertson law which drove many of the large life companies out of Texas after its passage in 1907. An association has been formed by Texas business men, with headquarters at San Antonio, for the purpose of backing up a bill for modifying this law.

Test Oklahoma Tax Demands

OKLAHOMA CITY, Aug. 25.—The Mid-Continent Life and the Atlas Life, in suits brought in the local courts, will further test the authority of the state tax commission to demand additional income tax reports from the companies, despite claimed exemptions. Preliminary hearings were held this week. It is expected the case finally will reach the supreme court.

It is the contention of the companies the tax commission is attempting to collect tax on incomes derived from loans, real estate and other forms of income, excepting premiums from policies. It is

explained that the constitutionality of the income tax law is not attacked, but merely the acts and regulations of the tax commission.

To Regulate Benefit Associations

OKLAHOMA CITY, Aug. 25.—Mutual benefit associations in this state would be required to keep a legal reserve and comply in general with other insurance laws of the state, in legislation State Senator Allen G. Nichols, We-woka, will propose to the next legislature. It is claimed the insurance commissioner, under present laws, has very limited control over the operations of these associations.

The commissioner's annual report shows that 27 mutual benefit associations operating in the state wrote \$41,860,480 new business in 1931 and had \$81,751,378 in force Dec. 31.

Heat Fails to Stop Texans

SAN ANTONIO, Aug. 25.—In July, while the thermometer set new highs and the Olympic athletes were studying new records, T. H. McNamara, a veteran member of the San Antonio, Tex., Union Central Life agency, in a town of 7,500 people, Taylor, Tex., with the thermometer registering 103, paid for \$72,000 new business. Mr. McNamara is more than 70 years old.

The Wiedermann Union Central Life agency in San Antonio paid for \$419,265 during July, and by the middle of August had written and paid for \$300,000 for the current month, and the manager

KNOWLEDGE IS POWER

So think North American field men, who are enthusiastic about our practical special Field Service Course. The enrollment is the largest ever. The results of this training is shown in a 20% increase in 1932 business over last year. Just another reason why you should investigate the North American connection.



NORTH AMERICAN LIFE INSURANCE COMPANY

E. S. Ashbrook
President

John H. McNamara
Founder

Paul McNamara
Vice-President

If you want to represent a company offering...

quick service
fair dealing
personal attention
active help
home office cooperation
attractive policies
practical suggestions

you need not look farther. The Shenandoah Life offers all these attractive features. Write Charles E. Ward, agency manager.

R. H. ANGELL
President

E. LEE TRINKLE
Vice-Pres.

W. L. ANDREWS
Sec'y-Treas.

SHENANDOAH
LIFE INSURANCE COMPANY

ROANOKE, VIRGINIA

Opportunity for managers in Akron, Ohio Canton, Ohio Youngstown, Ohio

FOR qualified men there is a liberal and profitable manager's contract. The men chosen will work under the direct supervision and assistance of the Home Office. They will be given every possible help to insure their success with this strong 30 year old company.

This company writes all complete and modern forms of life insurance at a low net cost. Policies include participating, non-participating, disability and double indemnity.

If you are interested in a manager's contract that offers a real opportunity write

S. M. Cross, President
Columbia Life Insurance Co.
Cincinnati, Ohio

You, too, Can RETIRE

*On your commissions
from the popular, easy-
to-sell Retirement
Income contracts
offered by--*

**The Lincoln National Life Insurance
Company Fort Wayne, Indiana**

Rockford Life Has a Message for You

President F. L. Brown
Rockford Life Insurance Co., Rockford, Ill.

Dear Sir: SEND ME THE MESSAGE

**It Concerns
General Agencies**

Name

Address

City State

expects a production of more than \$500,000.

H. F. Hardin Convicted

H. F. Hardin, former secretary of the American Mutual Life Association of Gatesville, Tex., has been convicted on a charge of embezzlement and given three years in the Texas penitentiary.

Several months ago Attorney-General Allred filed suit to forfeit the charter of the American Mutual on grounds of insolvency. Investigation revealed a

shortage in the mortuary fund, which caused the matter to be referred to the grand jury. Twelve indictments were returned against Hardin.

Two New Oklahoma Companies

The Premier Life of Oklahoma City, with \$50,000 capital, has been incorporated by G. G. Harper, Earl Belt and Samuel Ecker, and the American Standard Life by J. W. Crawford, G. P. Crawford of Tulsa, and B. J. Dorr of Oklahoma City.

AS SEEN FROM NEW YORK

By R. B. MITCHELL

COMMENT ON FARM CONDITIONS

Farm loan officials of life companies are inclined to restrain any undue optimism that might result from the recent improvement in the farm commodity market. Increases, particularly in the hog market, come at a time which would stamp them as seasonal. If they continue on after the time for seasonal improvement is past there will be real cause to hope that the long-awaited farm upturn has actually begun.

The weather for the rest of the season may have considerable to do with further improvement in the commodity market. In two or three months, however, it should be possible to tell definitely if the upward movement is more than merely seasonal.

The more pessimistic economists, basing their predictions upon the aftermaths of the Napoleonic and Civil wars, believe that prices generally will tend downward until about 1940. On the other hand there are many who say that the present situation is not analogous to other post-war periods and that prices will stabilize much sooner, at present levels or somewhat higher.

RULE OF THUMB METHOD

Grant Sharpe of the C. E. DeLong agency of the Mutual Benefit Life in New York City has devised a simple rule-of-thumb method for determining whether insurance in excess of \$40,000 made payable to a named beneficiary, will be subject to estate tax. His rule is:

1. Who paid the premiums?

(a) If the insured paid the premiums, it is taxable.

(b) If the beneficiary paid the premiums it is not taxable.

If it is taxable under the first test, apply this one:

2. Who owned the policy?

(a) If the insured retained the legal incidents of ownership, it is taxable.

(b) If the insured divested himself of all the legal incidents of ownership, it is not taxable.

It becomes evident, therefore, that the proceeds are not taxable (1) when the beneficiary paid the premiums or (2) when the insured gave up his rights of ownership under the policy, regardless of who paid the premiums. The complications that might arise if the beneficiary predeceases the insured and the

insured has divested himself of all incidents of ownership may be obviated by the beneficiary executing a supplemental agreement in which she directs that all her rights shall revert to the insured if she does not survive him.

Gift taxes have to be taken into account in transferring ownership. Just what effect this will have will be clarified when the internal revenue department issues its rulings.

WAIVER OF PREMIUM ISSUE

An interesting issue comes before the New York supreme court, appealed by the Northwestern Mutual Life. Its disability clause carries only waiver of premium. Martin Barrett of Hamburg, La., bought a policy in 1916. He became disabled later that year. The assured claims that every time his wife protested payment of the premium she was told that the assured had to be bedfast in order to make the provision applicable. Premium payments were continued until 1930, when the company admitted the claim. The assured sued and obtained judgment for \$2,596, the premiums paid for six years, along with attorneys' fees of \$300. The assured claimed the terms of the policy were misrepresented to him. The Northwestern Mutual contended that proper notice had not been given and that the statute of limitation ran against the payments made more than four years ago. The court overruled both defenses and held that the premium should have been waived when disability occurred.

NAME GOLDMAN AND WEISBERG

Martin Goldman and A. I. Weisberg have been appointed agency supervisors for the Lane agency of the Connecticut Mutual in New York City. They formerly served the old Lane agency of the Home Life of New York in a similar capacity, where they demonstrated their ability to handle agents.

SEVEN IN AGENCY GET C. L. U.

Seven members of the Dunsmore agency of the Equitable Life in New York City recently obtained the C. L. U. degree. Mr. Dunsmore and all his assistant managers passed the examinations, probably the first agency in the country to attain that distinction. Two members of the agency qualified in previous years, while two others have passed a part of the examination.

AS SEEN FROM CHICAGO

CHICAGO SALES CONGRESS

Griffin Lovelace, third vice-president of the New York Life and famous educator, will conduct an all-day sales congress in Chicago Sept. 2 at the Y. M. C. A. for the benefit of the company's Chicago agencies. It is being sponsored by "Nylc."

ESTATE ANALYSIS SCHOOL

An estate analysis school is to be conducted in Chicago for ten weeks, starting early in September, directed

by H. T. Powers, who has made a special study in this field and is recognized in Chicago as an authority. There will be no charge for the course. Mr. Powers organizing it at the suggestion of several general agents, but with no strings tied to it. Mr. Powers conducts an estate service bearing his name in One La Salle street building, but does not sell life insurance. The course will cover factors in estate situations, essentials in constructive life underwriting, administration of estate, including the laws of descent and distribution.

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income taxes.

Administration will be under R. S.
Jenkins, attorney; taxation (except in-
come tax) under Cyrus Mead, 3rd, at-
torney; income tax, R. C. Chapman,
C.P.A. and tax expert; analysis, Mr.
Powers; property forms, ownership,
status of stocks and bonds in estate,
Mark Smith, now of Chicago, but for
15 years a Philadelphia investment
man; status of real estate in an estate,
Mr. Jenkins; status of business inter-
ests in estate, Messrs Jenkins and
Powers; corporation and partnership
law, Mr. Jenkins; financial structure
and balance sheet, Mr. Chapman; trusts,

distribution, wills, etc., Messrs Jenkins,
Mead and Powers.

Each session will be 2½ hours, once
a week from 4:30 p. m. to 7 p. m. in
Mr. Powers' office. The class is limited
to 25 and registrations already total 18.

WIESE IS WELL AHEAD

The R. J. Wiese general agency of
the State Mutual in Chicago is about 15
percent ahead on paid business so far
this year. Mr. Wiese, who started three
years ago from scratch, now has about
\$5,500,000 business on his books and 22
full-time agents, all but two of whom
are producing. At the present rate he
expects to pay for approximately \$1,-
800,000 this year.

NEWS OF LIFE ASSOCIATIONS

Power of Life Insurance Told

Northwestern Mutual Counsel Gives
Talk to Milwaukee Association—
Expect 1934 National Gathering

Herbert N. Laffin, assistant counsel
Northwestern Mutual Life, spoke on
"The Power of Life Insurance," at the
August meeting of the Milwaukee As-
sociation of Life Underwriters. One of
the most notable developments in the
history of the world and especially in
the history of our own nation, Mr. Laffin
said, is that written by the legal reserve
life insurance companies which, in this
country alone, have pledged mutual pro-
tection to men and women, to Ameri-
can homes, and to the stabilization of
American business, exceeding from a
monetary standpoint the national debts
of this country, Great Britain, Germany
and France combined.

"Life insurance is distinctly an Ameri-
can institution," Mr. Laffin said. "There
is more insurance in force in our coun-
try than in all of the rest of the world
combined. It is here more widely dis-
tributed, more thoroughly appreciated
and understood, and its benefits more
generally enjoyed."

Reports received from delegates to
the National Association of Life Under-
writers convention in San Francisco and
announced by President Kenneth W.
Jacobs revealed that although Milwau-
kee had not been successful in securing

the next convention, the 1934 meeting
would probably be held there.

The Milwaukee association is com-
pleting arrangements for a C. L. U.
course to be given this fall at Mar-
quette University. According to Chair-
man Frank C. Hughes, general agent
Mutual Benefit Life, tentative plans pro-
vide for classes two nights a week.

Birmingham, Ala.—Dr. David McCa-
han, secretary and assistant dean of the
American College of Life Underwriters,
will be the principal speaker at the Aug.
30 meeting of the Birmingham associa-
tion and will formally confer the C. L. U.
degree on W. S. Owen, special agent of
the Sun Life, only Birmingham agent
winning such honor this year. Dr. Mc-
Cahan will also meet with the Alabama
Managers Association while in Birming-
ham.

Oklahoma City—The opening of the
season for the Oklahoma association,
Sept. 13, will have Dr. S. S. Huebner as
speaker. A program of unusual interest
is being worked out for the winter.

Colorado—Dr. S. S. Huebner, dean of
the American College of Life Under-
writers, will speak to members of the
Colorado association at a breakfast in
Denver Sept. 10, discussing the C. L. U.
course. He will also address policy-
holders of the Massachusetts Mutual at
a dinner Sept. 9.

Cleveland—The Cleveland association
is moving into larger quarters in the
Hotel Statler. The new space will in-
clude a library, reception room and
office.

ACCIDENT AND HEALTH FIELD

Now Under One Management

New Operating Management for State
Reserve Mutual, Gibraltar Life
& Accident

DENVER, Aug. 25.—Under a recent
operating arrangement effected by the
two accident and health companies affil-
iated with the Colorado Life, dividends
to be paid to policyholders of the State
Reserve Mutual are to be reckoned on
the earnings of both its own business
and that of the Gibraltar Life & Acci-
dent, according to announcement by
Rex Bixby, general manager of the for-
mer company.

Offices are Combined

The offices of the State Reserve Mu-
tual and the Gibraltar have been com-
bined with a view of increasing the
efficiency and reducing administrative
expense. Mr. Bixby will be in charge
of the agency forces of both companies,
while W. J. McGettigan, vice-president
of the Gibraltar, will have charge of
claim settlements of both companies.
A. C. Mitchell, secretary of the Gibrat-
ar, will have supervision of the office
work for both institutions.

The Gibraltar has been entered in six
western states in addition to Colorado.

Companies Writing 'Non-can'

Carriers That Reported More Than
\$100,000 Premiums in That Field
in 1931 Listed

The companies writing noncancellable
health and accident that reported \$100,-
000 in premiums or over last year are the
Continental Assurance of Chicago, Con-
tinental Casualty, Craftsman of Spring-
field, Mass., Life & Casualty of Nash-
ville, Loyal Protective of Boston, Mas-
sachusetts Accident of Boston, Massa-
chusetts Protective of Boston, Monarch
Life of Springfield, Mass., Mutual Bene-
fit Health & Accident of Omaha, Pacific
Mutual Life, Paul Revere Life of
Worcester, Mass. The Massachusetts
Protective writes far more than any
other company, its premiums last year
having been \$7,881,110. The Pacific
Mutual comes next with \$4,061,995.

Koops Shows Big Gains

W. T. Koops of Minneapolis, Minne-
sota state manager for the Kansas City
Life showed a 75 percent increase in
June, 1932, over June, 1931. July of
this year doubled the same month of
last year and the first week of August
this year showed more production than
the entire month in 1931.



SOMETHING NEW THAT IS NEW IN LIFE INSURANCE

A Dollar's worth for every Dollar paid
regardless of kind of policy purchased

A \$1,000.00 Endowment Policy, any age at issue, guarantees
\$1,961.54 plus Dividends in event policy becomes a claim the year
it matures.

Our Twenty Payment most remarkable policy of all—too much
to write about in this advertisement.

We have Ordinary with and without Cash accumulation. With-
out cash value it furnishes Pure Protection Life insurance at non-
participating rates but on a participating basis—it is estimated
dividends will amount to 50% within a few years, based on actual
experience past five years.

Juvenile Policies—Ordinary, Twenty Payment and Endow-
ment from birth, with all the fine features of our Adult Policies.
Many other forms of Policies equally attractive.

Operating in Illinois, Michigan, Indiana and Missouri

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LIVE LEADS

Fidelity lead service provides a
steady stream of live leads. The
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leads and the premium values are
large. Returns from circularization
on the Income for Life plan, origi-
nated by Fidelity, are exceptionally
high.

Send for booklet
"The Company Back of the
Contract"

Fidelity Agents Profit

With an effective lead service and a complete kit of sales tools,
Fidelity agents are profiting. Low Rate Life, Family Income,
Disability, Accidental Death Benefits and a full line of annuity
forms are included. They are backed by more than half a cen-
tury of fair dealing.

The FIDELITY MUTUAL LIFE
INSURANCE COMPANY
PHILADELPHIA
WALTER LEMAR TALBOT, President

1851

1932

Co-operation - Sincerity - Service

Our Motto for Over 80 Years

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BERKSHIRE LIFE INSURANCE CO.

Incorporated 1851

PITTSFIELD, MASSACHUSETTS

PROSPERITY FOR ALL

There was a king of France whose chief desire was that every subject should be able to afford a "chicken in the pot" on Sundays. That wish finds its counterpart today in the desire of this Company for each of its field men to have all the prosperity to which conscientious service entitles him.

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Commonwealth's wish for your prosperity finds its culmination in the actual efforts of the Home Office to help agents sell more life insurance. Commonwealth Cordial Cooperation helps agents to a better understanding of their problems and how to handle them.

Satisfied customers, money-making agents—that is the Commonwealth idea of true prosperity.

**COMMONWEALTH
LIFE INSURANCE CO.
LOUISVILLE, KY.**

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

New Ohio State Rate Manual

**Reduce Non-Participating Premiums
and Issue New Forms—Continue
\$10 Disability Clause**

The Ohio State Life has adopted a new rate manual with important changes in accord with its program of advancement and improved service.

Non-participating rates have been generally reduced to a new low basis and several new non-participating forms adopted. These include a preferred risk ordinary policy issued in a minimum of \$2,500; a modified ordinary life policy on a ten-year plan at low rates, with a minimum issuance of \$2,000; retirement endowment policies at 60 and 65, both on continuous pay and 20-year pay basis, and a juvenile ordinary life contract.

Another announcement of importance is the adoption of a participating feature on paid-up policies. The Ohio State will continue throughout the remainder of the year the \$10 monthly income disability benefit without modification in coverage or change in rates.

No material changes have been made in the participating policy equipment. The new manual includes a new sched-

ule of occupational ratings, which in general is more favorable than that previously used.

Franklin Life

The Franklin Life now is issuing an insurance annuity at age 55, continuous premium throughout the endowment period until that age. Rates are based on units of \$10 per month income, starting at maturity and continuing for life of assured. If assured reaches age 55 but dies before receiving 100 monthly payments, the balance of these will be commuted at 3½ percent compound interest, and if assured dies before 55, beneficiary will receive not less than \$1,000 for each \$10 monthly income unit, grading up to \$1,560 in the year preceding maturity. Disability and double indemnity benefits may be written on this form, monthly disability income being payable only to maturity of policy, and double indemnity costing \$1.50 per \$1,000 for all ages 15-45, inclusive. The contract has nonforfeiture values. Illustrative rates at quinquennial ages without disability are: 10, \$19.97; 15, \$23.50; 20, \$28.20; 25, \$34.81; 30, \$44.28; 35, \$59.66; 40, \$85.90, and 45, \$140.14.

T. L. Bond, formerly special agent of the John Hancock Mutual Life, has been appointed manager of the Atlantic Life at Birmingham, Ala.

Some Interesting Features in the Course of the Interview

The Prudential "Bulletin" says that any canvassing interview is or should be no more nor less than a talk whose primal importance is to consummate a sale. The basic principles of a sales talk are approach, presentation and close. The "Bulletin" says:

"There are salesmen, quite successful ones, too, who belong to that school of salesmanship that believes every sale is made or lost with the approach, that the approach must awaken that potential or inherent desire within the prospect to better himself. It can not be assumed that an approach which fails to do this will prevent a close or sale, for it is possible to amend for any omissions or errors during a presentation; but at best a poor approach means harder work later, and the probability of 'later' not arriving is great.

Presentation Must Be Clear

"The presentation must be a clear, concise explanation of what the service for sale will do for the prospect. Here, again, a sale may be lost because of many omissions and errors. Many times the subject is so familiar to the salesman that he omits facts which would be of interest to the prospect had they been presented, but which he assumes the prospect knows and admits as part of the service. This is perhaps the most common of all errors. Another is the use of too many technicalities. A simple presentation, explained with the use of every-day words, is of far more value than any awe or grandeur that one might hope to create by the use of

big words. If your service is good, a simple presentation makes for clear understanding, which results in few objections or excuses for not applying. 'Get in and get out' is a good motto.

Time to Close a Sale

"There are any number of opportunities to close during any sales talk. Sales have been consummated before there was time to give the carefully prepared, most wonderful presentation, by an approach which the salesman believed to be of no particular value, and which, subsequently, on another call, raised such barriers that a sale was completed only with great difficulty. So, the close is that moment in the sales talk that the salesman feels or senses he can get favorable action. There is no hard and fast rule that may be followed in order to build up to such a 'psychological moment.'

Qualities of Successful Salesman

"The successful salesman is one who knows all that there is to be known to date concerning his service, and who is forever on the alert to learn that which is new. He is a keen student of human nature, and is able to adapt himself to the varying moods of his fellow beings. He is one who works hard easily, and he invariably uses a prepared sales talk. The well-informed salesman is able to take advantage of those conditions that help and to overcome those that hinder. And that is the difference between salesmen. Success is making your prospect believe that you believe."

Life Companies May Deposit Encumbered Real Estate Now

Earlier rulings that real estate be eligible for deposit by domestic legal reserve life companies in Indiana must be unencumbered, apparently has been eliminated by amendments adopted in 1929, according to Attorney-General Ogden of Indiana in an opinion to Com-

missioner Kidd. In 1929 amendments were made to both sections 10 and 22 of chapter 28 of the act of 1899 under which domestic legal reserve life companies are organized. The 1929 amendment included real estate among the investments of those companies eligible for deposit under section 10 of the act. Accordingly, domestic legal reserve life companies may deposit real estate whether encumbered or unencumbered, the attorney-general rules.

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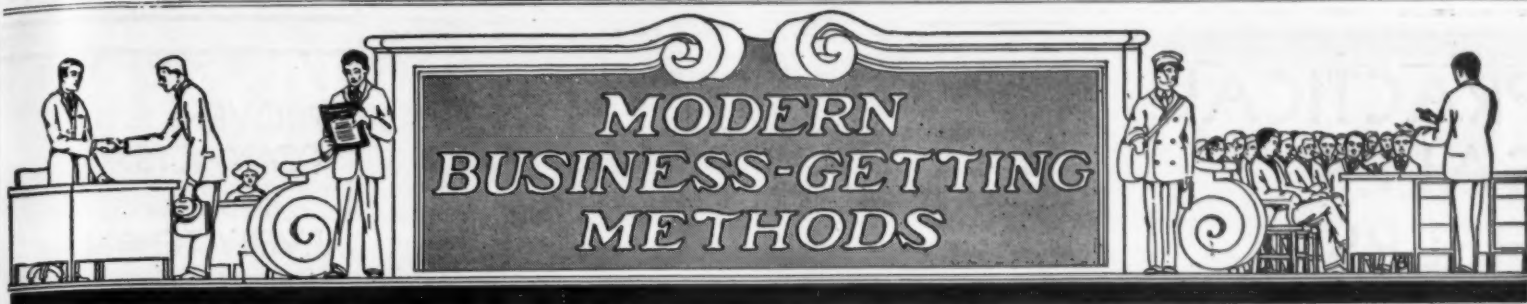
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Selected Answers to C.L.U. Test Questions Give Composite View of Many Life Underwriting Topics

The accompanying answers to questions given in the June, 1932, C. L. U. examinations form a composite set made up from replies of various candidates, not purporting to show perfect answers nor to indicate that these answers were the best, but rather to give representative answers. Many questions and problems involve the use of judgment by candidates, so no hard and fast solution could be expected. Credit was given for reasonableness of candidate's answers and intelligent application of his knowledge.

PART 1

Life Insurance Fundamentals

(a) ECONOMICS OF LIFE INSURANCE

Question 1. The statement is often made that whole life and endowment policies constitute an application of the "sinking-fund" principle. (a) Explain the nature and purpose of a scientifically operated sinking-fund. (b) Define the sinking-fund element in the life insurance contract, and explain how it meets all the attributes of a sinking-fund as you have set them forth in the preceding section of this question. (c) Enumerate three distinctive sinking-fund uses for life insurance, explaining each sufficiently to make your meaning clear.

Answer (a.) A sinking-fund is a fund which is accumulated over a period of years through periodic (usually annual) contributions from current earnings. The purpose of the fund is to accumulate a definite amount of money on or before a specified date in the future—to be used either for (a) the liquidation of a liability then falling due or (b) the replacement of wasting or depreciating assets. For example, when bankers lend money to a particular industrial enterprise for its use in expanding plant and equipment, they not only take as security for the loan a mortgage on the plant and/or equipment of the enterprise, but they also may provide in the indenture that the enterprise shall set aside out of earnings each year during

the period of the loan an amount which will not only pay current interest on the loan but also a balance in excess thereof which with interest at a reasonable rate will create a fund which will equal the amount of the loan on the due date of the loan. In view of the fact that the capital (tangible property) used in production is exhaustible, it is a common practice in business to set aside out of current earnings each year a contribution to a fund which with compound interest will replace the value of these exhaustible implements of production at the time when they have become obsolete.

Sound Business Principles Needed in Sinking Funds

Inasmuch as sinking funds are used to liquidate liabilities (of the long term funded type) and to replace property which has worn out or become obsolete—it is necessary that they be created and managed in accordance with sound business principles, viz., (a) That the date of maturity be determined as definitely as is possible. (It is definite in the case of bond-issue loans as cited above. In cases of property replacement the probable profitable "lifetime" of the property must be estimated on the basis of experience with a fair degree of accuracy). (b) That periodic contributions to the fund be made with unflinching regularity. (c) That the amount of each contribution be of such amount that at the assumed conservative rate of interest, the required fund will be available on the specified date. (d) That the fund be invested and managed by experts in the field of investment. (e) That the fund be invested in diversified prime securities to the end that it shall have every possible safeguard against loss. Safety is the essence of a sinking-fund by reason of its purpose. (f) That it be invested in securities of such types that the fund may be readily converted into cash without loss of principal on its due date.

(b.) The premium for a life or en-

dowment policy contains three basic elements, viz., (a) A contribution to the reserve or sinking-fund portion of the contract, (b) a contribution to the cost of insurance and (c) a loading for expenses. For the purpose of this discussion we may omit the loading factor.

The policy is a combination of an increasing investment account accompanied by a complementary decreasing term insurance account, the sum of the two elements at any point of time during the contract period being the face amount of the policy. The investment account increases from zero at the beginning of the contract period to the face amount at the end of the period. The term insurance decreases commensurately and becomes zero at the end of the contract period.

Reserve in Life Policy Perfect Sinking Fund

The reserve or sinking-fund element in a life or endowment policy meets all the attributes of a sinking fund as set forth in 1a, viz., (a) The date of maturity can be set at any desired time. (b) Contributions to the fund are made at regular intervals out of the insured's income. (c) The amount of the periodic contribution is such that with interest at 3 or 3½ percent the fund will mature on the specified date in the required amount. (d) The fund is invested and managed by experts. (e) The fund is absolutely safe because it becomes a part of a huge pool of diversified prime securities. (f) The fund will be available in cash at maturity because the life insurance contract stipulates that it shall and the nature of the life insurance company's investment program guarantees that this contract promise will be met. (g) The policy is a "self-completing" sinking fund by reason of the term insurance element.

(c.) Three distinctive sinking fund uses for life insurance may be illustrated as follows:

(1) When a person reaches 60 or 65 or thereabouts, as a rule his earning power is exhausted. By making regular deposits during the earlier years a reserve or sinking fund is provided to replace this earning power and provide a retirement income for old age. A life insurance policy serves as a sinking fund bond issued against the life value which is exhaustible in character.

(2) Life insurance may be used by

parents to create a fund to provide for the future education of children. This method has the advantage that in case of the insured parent's death before the children have reached high school or college age, the fund would be self completing.

(3) Through life insurance, a fund may be created by regular deposits sufficient to meet a mortgage at maturity. It has the further advantage that the fund is available to cancel the mortgage in case death intervenes.

Estate Problem Presented for Students' Solution

Question 2. "A" is the owner of a \$100,000 estate, consisting of real estate to the extent of one-third, stocks and bonds to the extent of another third, and capitalized royalties (at 5 percent) from books for the remaining third. He is making his will for the disposition of this estate to the members of his family. Heretofore the annual family standard of living has been on a \$5,000 basis, exclusive of "A's" self-maintenance. Enumerate all the reasons why "A" should use life insurance as a supplement to his will, explaining each sufficiently to make your argument clear.

Answer. "A" most certainly should purchase life insurance. From the problem it is apparent that the total value of his estate, \$100,000, consisting of several forms of property is necessary for the maintenance of his family exclusive of himself. It cannot be assumed that his estate all told will earn more than 5 percent and as this just meets the family requirements it is imperative that they receive the full value of his estate without reduction.

(a) It would be necessary therefore to provide enough life insurance to meet all of the expenses incident to his death: 1. Funeral expenses. 2. Cost of last illness, doctors, hospital, etc. 3. All debts outstanding, including personal debts and claims against the estate. 4. Taxes—unpaid installments of income tax, and estate and inheritance taxes. 5. Cost of probating the will and administering the estate, which includes court costs, lawyers fees, cost of appraiser, etc.

Seldom is it possible to probate and finally settle an estate of this size at a cost less than 20 percent of its value, and this percentage is sometimes greatly increased by complicating of factors. All of the above expenses must be paid in

Character--

The attitude of the insuring public toward the life insurance business and life insurance companies depends almost wholly upon the character and the behavior of those whose privilege it is to represent the companies before the public.

No agent should attempt to induce an individual who is already insured—whether with his own company, or some other company, or the Government—to give up any policy he may have, in favor of another with his company. No verbal or written statements attacking other companies, their policies, or their agents, should be made. Selection of coverage to be presented should rest solely upon supreme need—not upon commission to be earned.

Honesty, straightforward sales methods, strict adherence to promises, conscientious and intelligent service, good character, industry, loyalty to self, client, and company—all these are the requisites that go to make up the desirable agent and that are essential to the preservation of the good name of the institution of life insurance.

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PRACTICAL SALES HELPS...

The only company which deposits full legal reserve on life policies with the State of Illinois.

PARTICIPATING NON-PARTICIPATING

A complete line of
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COMPLETE COVERAGE
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(Life and Accident & Health in
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An ORGANIZED SALES PLAN
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No Better Territory
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cash before the estate can be distributed and this fact might further impair the value of the estate by reason of the fact that "A" may die in a period of depressed prices and financial stringency when, if it were necessary, to raise cash from these assets they would have to be sold at great sacrifice, thus making additional inroads. Life insurance in sufficient amount would preclude the necessity for such a sale.

Another point to be considered would, of course, be the type of property included in his estate. The questions to be asked relative to the real estate are: (a) Is it productive? That is, does it yield at least 5 percent net above taxes and expenses. (b) Is it in a desirable locality and is its present use likely to give a reasonable degree of certainty that the yield will continue for a long period of time? If the real estate is not of this type additional life insurance should be provided to take care of the possible loss or depreciation.

The same careful inspection of the securities should be made with the view of determining their intrinsic worth in respect to market value, yield, future prospects, possibility of continuity of earnings. A dependent widow and family cannot afford to take risks. If there are any speculative securities or ones of doubtful value, others should be substituted or if they are retained, an additional amount of life insurance should be provided.

The capitalized value of royalties should be scrutinized. Will these royalties continue as expected? What are the hazards in this respect? Can the annual income from this source be safely

reinvested and be depended upon to produce at least a conservative return on the value at which "A" has appraised them.

Books lose their popularity over a period of years, and eventually "A's" royalties may decline in amount or vanish completely. To meet this depreciation in income, more life insurance is necessary.

Finally, if it is the desire of "A" to make any special bequests to relatives, friends or institutions, either educational or charitable, these should be provided through life insurance. The insurance provided will also permit the prompt settlement of his property estate.

(Further answers to the C. L. U. examination questions will be printed next week.)

Recovers, Can't Collect

If there is recovery, even though the assured had been disabled for three months—the period of presumption—the assured cannot collect under the disability clause, according to the Ohio court of appeals in *Rose vs. New York Life*. The court held that the liability assumed by the New York Life under the disability clause was not such as is ordinarily assumed under a general sick and accident policy. The policy required as a condition precedent to the right to recover, that proof of loss must show that the assured is totally disabled at the time of filing the proof and is either in fact permanently disabled or has been disabled for a period of three consecutive months immediately preceding the filing of the proof. *Rose* had fully recovered and proof was not made until about two months after his recovery.

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